

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

- 1.1 This policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors ("**Policy**").
- 1.2 This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "**Act**") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a nomination and remuneration committee (the "**NR Committee**") which is in compliance with the requirements of the Companies Act, 2013.

2. OBJECTIVES

- A. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- B. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- C. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- D. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- E. Devise a policy on diversity of Board of Directors; and
- F. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- G. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- H. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3. EFFECTIVE DATE:

- 3.1 The following policy has been formulated by the NRC Committee and adopted by the Board of Directors at its meeting held on 10th August, 2021 and was last revised on 19th May 2025
- 3.2 This policy shall be operational with immediate effect.

4. DEFINITIONS:

- 4.1 **“Board” or “Board of Directors”:** - Board or Board of Directors means the board of directors of the Company.
- 4.2 **“Director”:** - Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- 4.3 **“NR Committee”:** - NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- 4.4 **“Company”:** - Company means CMS Info Systems Limited.
- 4.5 **“Independent Director”:** - Independent Directors means a director referred to in Section 149(6) of the Act and rules thereunder, and Listing Regulations.
- 4.6 **“Key Managerial Personnel”:** - Key Managerial Personnel or KMP means-
- (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed
- 3.7 **“Senior Management Personnel”:** - Senior Management Personnel shall mean officers and personnel of the Company as defined under SEBI Listing Regulations.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the SEBI Listing Regulations as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

- 5.1 The Policy is applicable to:
- (i) Directors (Executive and Non-Executive);
 - (ii) Key Managerial Personnel; and
 - (iii) Senior Management Personnel

6. CONSTITUTION OF THE NRC COMMITTEE:

- 6.1 The board of directors shall constitute a Nomination and Remuneration Committee as follows:
- a. the committee shall comprise of at least three directors;

- b. all directors of the committee shall be non-executive directors; and
- c. at least *two-thirds* of the directors shall be independent directors.

- 6.2 The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 6.3 Mr. Rajiv Kaul, Executive Vice Chairman, Wholetime Director & CEO shall be a permean invitee to all meetings of NR Committee.

7. GENERAL CRITERIA FOR SELECTION/ APPOINTMENT OF DIRECTOR/ KMP/ SENIOR MANAGEMENT PERSONNEL:

- 7.1 The NR Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person proposed for appointment as Director, KMP or Senior Management Personnel and accordingly recommend to the Board his / her appointment.
- 7.2 The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 7.3 The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and any other enactment for the time being in force which is applicable to the Company.

8. ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

- 8.1 The NR Committee shall consider the criterion and qualifications for Independent Directors as mandated under the law and also their appointment shall be governed as per the provisions of the Act and SEBI Listing Regulations (as amended from time to time).

9. TERM / TENURE:

9.1 Executive Chairman/ Whole-time Director

- A. The Company may appoint or re-appoint any person as its Executive Chairman/ Vice Chairman or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

9.2 Independent Director

- A. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a special resolution by the shareholders of the Company and disclosure of such appointment in the Board's report.

- B. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- C. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company, or such other number as may be prescribed under the Act.

10. REMOVAL

- 10.1 Due to reasons for any disqualification mentioned in the Actor rules made there under or under any other applicable Act, rules and regulations or any order passed by any regulatory authority in this regard or any other reasonable ground, the NR Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel ,subject to the compliance with the applicable provisions of the said Act, rules and regulations.

11. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD

- 11.1 The NRC Committee shall formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors. The Directors including Independent Directors may, inter alia, be evaluated on the basis of the following criteria i.e., whether they:
 - A. Act objectively and constructively while exercising their duties;
 - B. Exercise their responsibilities in a bona fide manner in the interest of the company;
 - C. Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
 - D. Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
 - E. Refrain from any action that would lead to loss of his independence
 - F. Inform the board immediately when they lose their independence,
 - G. Assist the company in implementing the best corporate governance practices,
 - H. Strive to attend all meetings of the board of directors and the committees;
 - I. Participate constructively and actively in the committees of the board in which they are members;
 - J. Strive to attend the board, committee and general meetings of the company;
 - K. Keep themselves well informed about the company and the external environment in which it operates;
 - L. Do not to unfairly obstruct the functioning of an otherwise proper board or committee of the board;
 - M. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest; and

- N. Abide by company's memorandum and articles of association, company's policies and procedures including code of conduct, insider trading guidelines etc.

12. BOARD DIVERSITY:

- 12.1 The NR Committee shall devise a policy on diversity of Board of Directors. The Board of Directors may have the combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

13. REMUNERATION:

- 13.1 The NR Committee will recommend the remuneration, including any revision in remuneration, to be paid to the Executive Chairman, Whole-time Director(s), KMP and Senior Management Personnel to the Board for their approval.
- 13.2 The level and composition of remuneration so determined by the NR Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration may also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the goals of the company and its growth.

A. Executive Chairman/Whole-Time Director

- i. The compensation paid to the Executive Director(s) (including Executive Chairman) will be within the limit and scale approved by the shareholders. The total compensation, approved by the NR Committee will be within the overall limits specified under the Act.
- ii. Besides the above criteria, the remuneration/ compensation/ commission etc to be paid to Executive Chairman/ Vice Chairman or Whole-time Director etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force.
- iii. The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

B. Non-Executive Directors

- i. The Non- Executive Director may receive sitting fees for attending meetings of Board or any Committee thereof. In addition to Sitting Fees, the Non-Executive Directors may also be eligible to receive remuneration/ commission/ compensation as may be determined by the NR Committee and recommended to the Board for its approval from time to time.

- ii. The remuneration payable by the Company to Non-Executive Directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

C. KMP'S / Senior Management Personnel etc.

- i. The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

D. Directors' And Officers' Insurance

- i. Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel unless otherwise specifically provided under the Act.

14. CHAIRPERSON

- 14.1 Chairperson of the NR Committee shall be an Independent Director.
- 14.2 Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairperson of the NR Committee.
- 14.3 In the absence of the Chairperson, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 14.4 Chairperson of the NR Committee meeting could be present at the annual general meeting of the Company or may nominate some other member to answer the shareholders' queries.

15. FREQUENCY OF MEETINGS

- 15.1 The meeting of the NR Committee shall be held at such regular intervals as may be required.

16. NR COMMITTEE MEMBERS INTEREST

- 16.1 A member of the NR Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.
- 16.2 The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.

17. SECRETARY

17.1 The Company Secretary of the Company shall act as Secretary of the NR Committee.

18. VOTING

18.1 Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

19. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

19.1 This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee.

19.2 This policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.

20. DISSEMINATION OF POLICY

20.1 A copy of this Policy shall be posted on the website of the Company and salient features of the policy and changes therein, if any, along with the web link to access the policy, shall be disclosed in the Board's Report.

For CMS Info Systems Limited

Sd/-

Debashis Dey

Company Secretary & Compliance Officer

Place: Mumbai

Date: 19-05-2025

Version History

Version 1: Policy announced on 27th day of July 2016

Version 2: Policy amended on 10th day of August 2021

Version 3: Policy amended on 19th day of May 2025