



COGENT E-SERVICES LIMITED
NOMINATION AND REMUNERATION POLICY

1) Preamble

This Nomination and Remuneration Policy (the “Policy”) has been formulated by Cogent E-Services Limited (“Company”) in compliance with Section 178 of the Companies Act, 2013 (the “Act”), read with applicable rules made thereunder and in compliance of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) when so applicable.

2) Objective and purpose

The objective of this Policy is to serve as a guiding charter to appoint qualified persons as Directors on the Board of Directors of the Company (“Directors”), key managerial personnel (the “KMP”), senior management personnel (the “SMP”) and in senior management position, to recommend the remuneration to be paid to them and to evaluate their performance. This Policy provides a framework for:

- 2.1. Identifying persons who are qualified to become Directors (executive/non-executive/independent) and persons who may be appointed as KMP, SMP and in senior management position in accordance with the criteria laid down, and recommend to the Board for their appointment and removal;
- 2.2. Identifying the criteria for determining qualifications, positive attribute and independence of a Director (executive/non-executive/independent);
- 2.3. to recommend to the Board on remuneration payable to the Directors, KMPs and SMPs, based on factors including the Company’s size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry and in accordance to the applicable law ;
- 2.4. Specifying the manner for effective evaluation of performance of the Board, Directors, KMPs, SMPs and persons in senior management position to be carried out either by the Board, by the Committee or by an independent external agency;
- 2.5. Assessing the independence of independent Directors;
- 2.6. Providing them reward, linked directly to their efforts, performance, dedication and achievement relating to the Company’s operations;
- 2.7. To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage;
- 2.8. To develop a succession plan for the Board and to regularly review the plan; and
- 2.9. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Act and Rules thereunder and the SEBI Listing Regulations, whenever applicable.

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3) Constitution of the Nomination and Remuneration Committee

3.1. The Board of Directors ("**Board**") has constituted the "Nomination and Remuneration Committee" of the Board on December 31, 2021. This is in line with the requirements under the Act. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

3.2. The Board has authority to reconstitute this Committee from time to time.

4) Scope of the Policy

The policy shall be applicable to the following in the Company:

- a) Directors
- b) KMPs
- c) SMPs
- d) Other employees of the Company

Provided,

"Key Managerial Personnel (KMP)" shall have the same meaning as defined by Act.

"Senior Management Personnel (SMP)/Senior Officials" means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the Executive Directors, including the functional heads.

5) Composition

1.1. The NRC means a Committee of Directors constituted under Section 178 of Companies Act, 2013, read with rules made thereunder.

1.1.1. The Board shall determine the members of the Committee.

1.1.2. The Committee shall comprise of at least three members, all of whom shall be non-executive Directors, and at least fifty percent of whom shall be Independent Directors.

1.1.3. The Chairman of the Committee shall be an independent director, from amongst the members of the Committee.

1.1.4. The Chairman of the Committee may attend the annual general meeting to answer the shareholders' queries but it is upto the discretion of the Chairman to answer such queries.

1.1.5. The Chairman of the Board (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair the Committee.

1.1.6. The Company Secretary of the Company shall act as the secretary to the Committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.

6) Role of The Committee:

- i. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- ii. To formulate criteria for evaluation of Independent Directors and the Board.
- iii. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- iv. To carry out evaluation of Director's performance.
- v. To recommend to the Board the appointment and removal of Directors and Senior Management.
- vi. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- vii. To extend or continue the term of appointment of an independent director based on the evaluation;
- viii. To devise a policy on Board diversity, composition, size.
- ix. Succession planning for replacing Key Executives and overseeing.
- x. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- xi. To perform such other functions as may be necessary or appropriate for the performance of its duties.

7) Meetings

- 7.1. The Committee shall meet at least once in a year. It is, however, recommended that the Committee meet at least 3 to 4 times during the year.
- 7.2. The quorum for a meeting of the 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.

8) Letter of appointment

Letter of appointment shall be issued by the Company to each Director, KMP and SMP based on the recommendations of the NRC on the basis of the guidelines for the same under the Companies Act, 2013 and this Policy and shall be accepted and signed by the concerned person.

9) Appointment criteria and qualifications

- 9.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs, SMPs and others in senior management position.
- 9.2. A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.
- 9.3. The Committee shall determine the suitability of appointment of a Director by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as Annexure 1 to this policy. Further, the proposed person is assessed against a range of criteria which includes but are not limited to:
 - Personality, skills and professional knowledge
 - Knowledge and experience relevant to the business of the Company
 - Understanding of and experience in performing his roles and responsibilities
 - Independence of judgment

- Educational and professional qualification(s)
 - Past performance and credentials, behavior & conduct
 - Ability to work individually as well as a member of team
 - Ability to represent the Company
 - Interaction and relationship with the other members of the Board, KMPs and key stakeholders
 - Board room conduct
 - Communication skills
 - Ethics and Values
- 9.4. The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 9.5. The Committee shall ensure that there is an appropriate induction and training program in place for new Directors, KMPs and SMPs.
- 9.6. The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 9.7. The Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy and recommend the names of such persons to the Board.
- 9.8. The Committee may extend or continue the term of appointment of an independent director based on the evaluation.
- 9.9. The Committee shall devise a policy on Board diversity, composition, size.
- 9.10. The Committee shall formulate a criteria for evaluation of Independent Directors and the Board.
- 9.11. The Committee shall do succession planning for replacing key executives.
- 9.12. The Committee shall recommend any necessary changes to the Board.

10) Independence of Directors

Independence of Directors is decided on the basis of criteria provided under the relevant provisions of the Companies Act, 2013, read with rules made thereunder, and any modification/amendments done from time to time and as envisaged under SEBI Listing Regulations. A declaration of independence is taken from the independent Directors at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director.

11) Term / Tenure

11.1. Managing Director/Whole-time Director

- 11.1.1. Mr. Abhinav Singh shall be the Managing Director of the Company and shall appoint or re-appoint as Managing Director for a term not exceeding five years at a time.
- 11.1.2. Mr. Gaurav Abrol shall be the CEO of the Company and shall appoint or re-appoint as CEO for a term not exceeding five years at a time.
- 11.1.3. The Company shall appoint or re-appoint any person as its Whole-time Director for a term not exceeding five years at a time.

11.1.4. No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

11.2. Independent Director

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

11.2.2. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re- appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

11.2.3. 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 applicable regulations in force.

12) Remuneration

12.1. Policy objectives

In discharging its responsibilities, the Committee shall have regard to the following policy objectives:

12.1.1. To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;

12.1.2. To attract and retain and motivate competent individuals;

12.1.3. To plan short and long-term incentives to retain talent;

12.1.4. To ensure that any severance benefits are justified.

12.1.5. To ensure that the Directors, KMPs, SMPs and other senior official's salary is based and determined on the basis of individual's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any, including that the remuneration to be paid to the Managing Director ("MD") and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

12.1.6. To ensure that individual remuneration packages for Directors, KMPs, SMPs and other persons in senior management are determined after taking into account relevant factors, including but not limited to:

- Qualification and experience
- Level of engagement in the affairs of the Company,
- Market conditions,
- Financial and commercial health of the Company,
- Practice being followed in comparable companies,
- Prevailing laws and government/other guidelines.

12.1.7. The remuneration / compensation / commission etc. to the whole-time Director, KMP, SMP and other employees will be determined by the Committee and recommended to the Board for approval.

12.1.8. Increments to the existing remuneration / compensation structure of the SMPs and other

employees will be decided by MD.

12.2. Remuneration Structure

12.2.1. Remuneration to Whole-time/ Managing Director, KMP and SMP:

The pay program for KMP and SMP has been designed around three primary pay components: Base/Fixed Pay, Performance Bonus and Stock Incentives. These three components together constitute the “Total Rewards” of the KMP and Senior Management:

- 12.2.1.1. Base/ Fixed pay:** It is guaranteed pay and paid periodically, usually monthly or bi-monthly or as per payroll policy by Company.
- 12.2.1.2. Performance Bonus:** Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee.
- 12.2.1.3. Stock Incentives:** Stock or Equity based incentives can be either time based or performance based equity grants. Time based stock incentives, in the form of stock options, are vested based on continuation of service. Performance based stock incentives, in the form of Stock Options, vest upon the achievement of certain performance parameters. The stock incentives are governed by the Cogent Stock Options Plan(s) as approved by the shareholders or any other plans as may be amended.
- 12.2.1.4.** Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders’ interests, through a continued focus on the Company’s sustainable, long term performance.

12.3. Remuneration to non-executive / independent Director:

- 12.3.1. Remuneration** – The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Companies Act, 2013 along with the rules made there under.
- 12.3.2. Sitting Fees** – The non- executive/ independent Director may receive remuneration by way of fees for attending meetings of Board or committees of the Board to which they are appointed from time to time thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act, 2013.

13) Evaluation/ assessment of Directors

The evaluation/assessment of the Directors is conducted by the Committee on an annual basis. The following criteria assists in determining how effective the performances of the Directors have been:

- 13.1. Vision and clarity of roles & responsibility:**

The Individual Director should have awareness of fiduciary and statutory requirements and a clearly articulated vision. This includes clarity of role as a member of the Board of the Company.
- 13.2. Board Processes:**

The quality of board processes such as decision making (i.e. how directors ensure they are well informed to be able to make the decisions in the best interest of the Company and its stakeholders) selection and induction etc.

13.3. Engagement with Management:

How well the board engages with the management to ensure it is well supported and able to meet the needs of its members.

13.4. Board dynamics:

At the heart are the Board dynamics. It is the quality of individual relationships and dialogues that directly influences the quality of decision making and relationships with key stakeholders.

13.5. Frequency of participation:

The Individual should make him /her available for attending the Board meetings of the Company and be available for providing his/her guidance and support in case of need.

14) Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

15) Retirement

The Director, KMP, SMP or other person in senior management position, shall retire as per the applicable provisions of the Act along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain any Director, KMP, SMP or other person in senior management position, even after attaining the retirement age, for the benefit of the Company.

16) Disclosure of this policy

The policy shall be disclosed in the annual report of the Company, as required under the Act and rules made there under and the SEBI Listing Regulations, as amended from time to time and as may be required under any other law for the time being in force.

17) Review

17.1. This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges

17.2. In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

17.3. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

18) Scope and limitation

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013, rules made there under, the SEBI Listing Regulations or any other statutory enactments or rules as maybe

applicable, the provisions of Act, rules made there under, the SEBI Listing Regulations or any other statutory enactments or rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain inforce.