

BEETEL TELETECH LIMITED
Nomination and Remuneration Policy

Owner
Chief Financial Officer

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1. Preamble

In terms of the provisions of Section 178 of the Companies Act, 2013 ('Act') & rules made thereunder and upon due recommendation of Nomination & Remuneration Committee ('Committee'), the Board of Directors ('Board') of Beutel Teletech Limited ('Beutel' or 'Company') has approved and adopted this Nomination & Remuneration Policy ('Policy').

2. Objectives

The main objectives of this Policy are as follows:

- ✓ To lay down criteria and terms & conditions with regard to identification of persons who are qualified to become Directors (Executive & Non-executive including Independent Directors) and Key Managerial Personnel ('KMP').
- ✓ To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- ✓ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- ✓ To determine remuneration of Directors and KMPs, keeping in view all relevant factors including industry trends and practices.
- ✓ To provide for rewards linked directly to their effort, performance, dedication and achievement of the Company's target.

3. Criteria for Appointment & Nomination

Directors and Key Managerial Personnel

The Committee shall be responsible for identification of a suitable candidate for appointment as Director or KMP of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company considering its size and nature, subject to minimum of 3 and maximum of 15 Directors. The Board shall have an appropriate combination of Executive, Non-executive, Independent and woman Directors.

The Company recognizes the importance of truly diverse Board in its success and believes that diverse board brings different set of expertise & perspectives. Therefore, while evaluating a person for appointment/ re-appointment as Director or as KMP of the Company, the Committee shall consider & evaluate various criteria and shall leverage difference in factors w.r.t. background, knowledge, skills, abilities & thought (to exercise sound judgement), professional experience, educational, professional, cultural & geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience, time commitment, understanding of the sector(s) & industry(ies) in which Company operates, expertise in marketing, technology, finance & other disciplines relevant to the Company's business. The Committee shall consider such other factors as may be relevant & applicable from time to time towards achieving a diverse Board.

While considering the appointment/ re-appointment of any person as Director of the Company, the Committee shall ensure that he/ she satisfies the following criteria:

- ✓ He/ she is eligible for appointment/ re-appointment as Director and is not disqualified in terms of Section 164 & other applicable provisions of the Act.
- ✓ He/ she has attained the age of 25 years and is not older than 75 years at the time of appointment/ re-appointment.
- ✓ His/ her total number of directorship in the companies are within the limits prescribed under the Act.
- ✓ He/ she will be able to devote sufficient time & efforts towards discharging duties & responsibilities, effectively.

In case of appointment/ re-appointment of an Independent Director, the following additional criteria shall be considered by the Committee:

- ✓ He/ she meets the criteria of “independence” as set out in the relevant provisions of the Act and other laws applicable to the Company.
- ✓ He/ she does not hold any Board/ employment position with a competitor having its presence in the geographies in which Company operates. However, the Board may in special circumstances waive this requirement.

The re-appointment/ extension of term of Directors of the Company shall be on the basis of their performance evaluation report. For the purpose of identification of suitable candidates, the Committee may use the services of external agency(ies), if required.

4. Criteria for Remuneration

While determining the remuneration of Directors and KMP, the following criteria shall be considered:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- The remuneration involves and balance between fixed & variable pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.
- Alignment of remuneration of Directors and KMP with the long-term interest and sustainability of the Company.

The overall limit of remuneration of the Directors including Executive Directors (i.e. Managing Director, Whole-time Director etc.) is governed by the applicable provisions of the Act & rules made thereunder.

The Board may determine different remuneration for different Directors on the basis of their respective roles, responsibilities, duties, time commitment etc.

A. Non-Executive Directors including Independent Directors

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013 and ruled made thereunder for the time being in force.

Sitting fee

The Non-executive/independent Director may receive remuneration by way of fee for attending meetings of Board or committee thereof.

B. Executive Directors (Managing Director, Whole-Time Director, Executive Directors etc.) and Key Managerial personnel

The remuneration (including revision in the remuneration) of Executive Directors and Key Managerial Personnel (KMP) shall be approved by the Board on the basis of the recommendation of the Committee.

The remuneration payable to Executive Directors and KMP shall consist of the following:

- (a) Fixed Pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits & other allowances as per the Company's policy
- (b) Variable Pay (paid at the end of financial year) directly linked to the performance of the individual employee (i.e. achievement against predetermined KRAs), his/ her respective Business Unit and the overall Company's performance
- (c) Long term incentive/ ESOPs as may be decided by the Committee from time to time.

The Committee shall recommend to the Board, all remuneration, in whatever form, payable to Directors & KMP.

5. Malus/ Clawback

The deferred/variable remuneration (including Long Term incentive) of Directors and KMPs shall be subject to malus/clawback arrangements in the event of negative contributions of the Company and/or the relevant line of business in any year.

A malus arrangement permits the Company to prevent vesting of all or part of the amount of a deferred remuneration, however, it does not reverse vesting after it has already occurred. A clawback, on the other hand, is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances.

Under Malus and/or clawback arrangement, the Company, at the discretion of the Committee, shall have the power to prevent vesting of all or part of the amount of remuneration (including deferred/ variable remuneration) or reduce, withhold, cancel, clawback such remuneration or impose further conditions in following conditions:

- a) Significant drop in performance of Individual / Business / Company due to irregularities or a material failure of risk management or serious reputation damage;
- b) Disciplinary Action against the Individual;
- c) Resignation of the Individual prior to the payment date;
- d) Restatement of financial results due to errors or misconduct/ fraud that resulted in incorrect financial reporting;
- e) Directions/ approval of any authority governing the Company; and
- f) If the Committee, in its discretion, deem it necessary to apply malus or clawback.

In the event of failure of the Directors and KMPs to pay back the amount under this clause, the Company shall have the right to take necessary action as per the Company's Policy.

6. Disclosure by the Company

This Policy shall be hosted on the Company's website viz. www.beetel.in Further, salient features of this Policy, along with changes made therein during the year, if any, along with web address of this Policy shall be disclosed in the Annual Report.

7. General

The Board of Directors on its own and/or as per the recommendation of Nomination and Remuneration Committee can amend this policy, as and when deemed necessary.

In case any provision of this Policy is contrary to or inconsistent with the provisions of the Act or any other applicable law for time being in force, the latter shall prevail.

Words & expressions used in this Policy, shall have the same meaning as ascribed to them in the Act, rules & regulations made thereunder and/ or any other law applicable to the Company for time being in force.