

Policy on Nomination and Remuneration Committee

Table of Contents

1. Objective	3
2. Definitions	3
3. Constitution of the Nomination and Remuneration Committee	3
4. Policy for appointment of the board, KMPs & Senior Management	4
4.1. Board Members	4
4.2. KMPs	4
4.3. Senior Management personnel	4
5. Remuneration to KMPs, Senior Management personnel and Other Employees	5
6. Policy on Awareness Training to the Independent Directors	6
7. Process for Performance Evaluation of the Board as a whole	7
7.1. Process for Performance Evaluation of the Committees:	7
7.2. Process for Performance Evaluation of individual directors including Independent Directors	8
8. Board's Diversity	9
9. Amendment	9

1. Objective

As a measure of good Corporate Governance and in compliance with the provisions of Section 178 of Companies Act 2013, following policies are formulated:

- 1.1. Policy on appointment and removal of Key Managerial Personnel and Senior Management;
- 1.2. Policy on Remuneration to the Key Managerial Personnel, Senior Management and other Employees
- 1.3. Policy on Directors Training
- 1.4. Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors,
- 1.5. Policy on Board Diversity;

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means the Comviva Technologies Limited.

“Committee(s)” means Committees of the Board for the time being in force as per the provisions of the Companies Act 2013.

“Employee” means employee of the Company whether employed in India or outside India including any whole-time directors, KMPs & Senior Management who serve the company on a full-time basis and are not employed in any other entity except those which are the subsidiaries of the company or subsidiaries of its majority shareholder.

“HR” means the Human Resource department of the Company.

“Key Managerial Personnel” and Senior Management (KMP) refers to:

- (i) Chairman (CM);
- (ii) Managing Director (MD), or Chief Executive Officer (CEO);
- (iii) Chief Financial Officer (CFO); and
- (iv) Company Secretary (CS)

“Nomination and Remuneration Committee” or “NRC” means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means an employee of the Company who is a member of its Core Management team, which includes CEO, CFO, Company Secretary, Product Unit Heads (for Business units higher than USD 20 million), Global Head of Sales, EVP- New Product Initiatives, Global Head of HR.

3. Constitution of the Nomination and Remuneration Committee

The board has constituted the Nomination and Remuneration Committee on <DDMMYYYY>, in accordance with Companies Act 2013.

The board will have rights to reconstitute this committee from time to time.

4. Policy for appointment of the Board, KMPs & Senior Management

The committee shall look into the following matters:

- Make recommendations to the board on its composition and size to help ensure its effective working. It will do the following under each category of personnel:

4.1. Board Members

- a) Identify and recommend to appointment or removal of such candidates who can be considered for the position of a director.
- b) The NRC would decide this based on its discussions around qualifications, positive attributes and independence of the candidate being considered for directorship. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.

4.2. KMPs

- a) The authority to identify right candidates for the appointment of CFO and CS is vested with the CEO along with HR, who will facilitate in identifying the candidates internally or externally. NRC will consider the candidates proposed by the CEO and recommend to the Board for its consideration and appointment in accordance with the applicable provisions of the Act and Rules.
- b) In case of CM / MD / CEO's appointment, NRC will initiate the process of identifying the new candidate, which can be an internal or external candidate, for the respective position. After identification and screening of the candidate, NRC will propose the candidature to the Board for its consideration and for appointment subject to the approval of the Shareholders and Regulatory Authority, if any.
- c) The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.
- d) If a KMP is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there-under or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a KMP subject to the compliance of the applicable statutory provisions.

4.3. Senior Management personnel

- a) The Senior Management personnel are appointed and removed/relieved with the authority of CEO and HR. The selection and removal would be based on the evaluations done during the selection /search process and would cover such parameters like: qualifications, positive attributes, experiences, etc as per the recruitment policy prevailing at the time of selection. The decision may also be based on conditions as best suitable for the business in accordance with statutory conditions as may be applicable from time to time.
- b) The details of the appointment made and the personnel removed/relieved during a quarter shall be presented to the Board as part of update on Corporate Governance.

To maintain effective performance and continuity, all attempts will be made to retain and maintain the right balance of expertise and experience at the senior management level through various

measures of identification, hiring, training, grooming, performance feedback, compensation & benefits, promotions, etc. The NRC may seek and review such efforts for any specific position/s as they may deem fit.

Subject to that there is no conflict of interest, Comviva CEO and HR Head will be authorized to approve employee requests for accepting –

1. any honorary positions in the Board of a Company (for no remuneration or a nominal remuneration); and/or
2. any non-significant minority stake capped up to 30%

In case the request is from the Comviva CEO, Comviva CFO or the Company Secretary, the same will be cleared by the NRC

5. Remuneration to KMPs, Senior Management personnel and Other Employees

The Company follows an extensive performance management system to review the performance of the employees /Senior Management and provide rewards on the basis of meritocracy.

The overall remuneration (Total compensation) to the employees (including Whole Time Director (CEO), CFO, CS and senior management) includes a fixed component (Guaranteed Pay) and a variable component (Performance Linked pay). The percentage of the variable component increases at hierarchy levels, as the Company believes employees at higher positions have a far greater impact and influence on the overall business result. Variable Pay program is covered by respective variable pay programs (like performance linked incentive programs as applicable for respective roles). Compensation offered is decided based on what is competitive and suitable to attract top talent peer group for such a role, while looking at company's ability to pay vis-à-vis its budget.

The initial remuneration for CEO or any whole time director will be proposed by the CM/MD to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for KMPs – CFO and CS will be proposed by the CEO & HR to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The initial remuneration for the Senior Management personnel shall be proposed by HR and approved by CEO. Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR and business /line managers at the time of hiring, depending upon the relevant job experience, last compensation, position details and role maturity fitment; philosophy of which has been captured in the compensation handbook of the company.

The Total compensation is reviewed at least once every year based on company's performance and compensation philosophy and program. Compensation Revision is based on the performance, potential and market positioning of the role as determined through hiring & /attrition related data, surveys and benchmarks.

The annual review of remuneration for CEO or any whole-time director will be proposed by the CM/MD to the NRC. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The annual remuneration for KMPs – CFO and CS will be proposed by the CEO & HR Head to the NRC consistent with the strategy of the Company and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

Annual Review of Remuneration (TCTC) for all employees (others than KMPs, but including senior management) will be decided by HR, in consultation with CEO for all senior management position and along with concerned business unit head/managers as per performance management process & compensation philosophy and approved personnel cost budget. Performance Management Handbook applies to all employees including senior management, CFO and CS. CEO performance is evaluated by the CM/MD based on business goals as determined annually.

CEO and the HR Head may approve incentive programs as may be required for managing routine business requirements like joining or retention. Any plan covering shares or Stock Option grants to the employees shall be approved by the NRC based on the recommendation of CEO and Head of HR.

All remunerations to directors or CEO will be in accordance to Companies Act 2013 or changes to the same as applicable from time to time, including restatement of accounts due to fraud or non-compliance.

Sitting fee for independent directors: Sitting fees will be paid to the independent directors for the committee and board meetings, as approved by the board from time to time. This will be subject to the maximum limits, if any, prescribed by the Companies Act 2013.

Refundability of excess remuneration: Any excess remuneration paid will have to be refunded back by the director in case of restatement and no such waivers will be permitted.

Commission or remuneration from holding or subsidiary company: The total commission paid for the services to this Company will include any remuneration paid from either the holding company or the subsidiary company.

6. Policy on Awareness Training to the Independent Directors

The Independent directors at the time of their co-option shall be provided with an orientation by at least one of the senior leaders. They will also be provided with the material/literature regarding the Company's business and its operations, governing documents, information on key personnel and financial information to familiarize them with the Company. The Board will brief them on their roles and responsibilities in the various Committees. The Quarterly Board Meetings will contain an agenda item on 'Business Updates' which provides development in the business strategy of the Company among others. The CM depending on the business need may also nominate Independent Directors

for relevant external training programs. Independent Directors may request for any additional information as deemed fit for the successful discharge of their role.

7. Process for Performance Evaluation of the Board as a whole

The process will be initiated each year by the Chairman of the NRC or any other person as authorized by the NRC.

- ❖ The Board will carry out annual evaluation of its own performance through its adopted self-evaluation criteria. Board evaluation process will be initiated each year by the chairman of NRC and will be coordinated by the Chairman of NRC or any other person authorized by the NRC. Each Board member will get an evaluation form as given in **Annexure – I** in the first week of April of each year.
- ❖ Board members have the option to disclose his/her name on the evaluation form.
- ❖ Board members shall complete the form and return it to the authorized person within two weeks of receipt of the form.
- ❖ Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form.
- ❖ Chairman of the Board will arrange to tabulate the results and present summary report to the Board during the first Board Meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample template has been included in **Annexure II**. Report for each individual member will also be shared without names of those who gave the feedback.
- ❖ The Board will initiate discussion based on individual feedback, broad & common areas that are working well and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.

7.1. Process for Performance Evaluation of the Committees:

The Board has adopted the evaluation criteria for Committees as mentioned in **Annexure -III**. Each Committee member will get an evaluation form as given in **Annexure – III** for the Committee(s) he/she is part of in the first week of April of each year.

- ❖ Committee Members have the option to disclose his/her name on the evaluation form.
- ❖ Committee Members shall complete the forms and return them to the authorized person within two weeks of receipt of the forms.
- ❖ Only Chairman of the board and the authorized person appointed by the NRC to coordinate this activity will have access to individual evaluation form
- ❖ The Chairman NRC, with the assistance of any person, will tabulate the results and share the summary report with the respective Committee in their first meeting of the financial year. The summary report will include score against each of the evaluation criteria & verbatim comments without any names. Sample summary report template has been included in **Annexure – IV**.

- ❖ Each Committee will initiate discussion basis individual feedback, broad & common areas that are working well and those that need attention.
- ❖ The Chairman of the respective Committee will also present the summary report to the Board during its first Board Meeting of each financial year.

7.2. Process for Performance Evaluation of individual directors including Independent Directors

- ❖ The NRC will carry out performance evaluation of individual directors through peer evaluation of each Board member.
- ❖ The Key areas of evaluation are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion and strategy, Concern for stakeholders, attentive to the internal controls mechanism, and ethical conduct issues as the evaluation criteria.
- ❖ In the first week of April of each year, each Board member will get evaluation form as given in **Annexure – V** for each of their colleagues on the Board. Each Board member will complete evaluation of each of their colleagues. Board member does not have to disclose his/her name on the evaluation form.
- ❖ During the first Board meeting of the financial year, separate envelopes indicating name of each Board Member will be circulated in which each Board member will place the completed evaluation sheet of the assessed member in their respective envelope. For example, there will be separate envelopes for Director A, Director B & so on and these envelopes will be circulated to all the Directors to place the evaluation form of the specific Director in the envelope indicating his/her name.
- ❖ Once all the evaluation forms are placed in designated envelopes, each Board member will be handed over their respective envelope and will have the opportunity to go through their own peer evaluation scores during the meeting itself.
- ❖ After going through their respective evaluation scores by their peers, the Board members will hand over their envelope to the Board chairperson during that meeting.
- ❖ Subsequently, the Board chairperson, will go through the contents of the envelope, and if necessary, will meet with each Director individually as part of the evaluation process to identify and discuss the outcome. The separate envelopes containing peer evaluation forms for each individual Director will remain with the Board chairperson and will be kept confidential.
- ❖ The NRC on the basis of evaluation scores of the concerned member shall recommend to the Board to extend or continue the term of appointment of the Board member. In case of the upcoming reappointment of any of the NRC member, the concerned member will not participate and others on the committee will be given access to all the available forms of the concerned member as detailed above to continue with the recommendation process.

8. Board's Diversity

A truly diverse Board will make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Board appointments should be based on merit that complements and expands the skills, experience, expertise of the Board as a whole, taking into account knowledge, professional experience, qualifications, gender, age, cultural, educational background, statutory / regulatory requirement and any other factors that might be relevant and applicable from time to time for it to function effectively.

NRC considers the functional diversities in determining the optimum composition of the Board.

9. Amendment

The Policies may be changed at any time by the Board on the recommendation of NRC. However, the NRC shall have the authority to change the Evaluation Form at any time during the year with the objective of seeking more inputs from the Individual Directors

In the event of any statement in the policy contradicting with law, the law will supersede as applicable from time to time.

Annexure I

Performance Evaluation of the Board as a whole - Self Evaluation Form

Each Board Member is to rate the following statements in relation to overall performance of the Board during the last financial year. Please place \checkmark in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Your Name (Optional) _____

Evaluate the following statements in relation to overall performance of the Board		Rating Scale				
		1	2	3	4	5
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Board has achieved what it set out to accomplish in the year under review.					
3	The Board engages in long-range strategic thinking and planning.					
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.					
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.					
6	The Board receives timely, accurate, and useful information upon which to make decisions.					
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.					
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.					
9	The quality of Directors participation in meeting is satisfactory.					
10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender					

Rating Scale

5 = strongly agree; 4 = Agree; 3 = neither agree nor disagree; 2 = Disagree; 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the board as a whole.

.....

Summary Report: Performance Evaluation of the Board as a whole

Statements in relation to overall performance of the Board		Director A	Director B	Director C	Director D	Director E	Director F	Director G	Avg. Score
		<i>Scores of each Director will be mentioned on No name basis</i>							
1	The Board is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.								
2	The Board has achieved what it set out to accomplish the past year.								
3	The Board engages in long-range strategic thinking and planning.								
4	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.								
5	The Board meetings are of reasonable length & agendas are well-balanced, allowing appropriate time for the most critical issues and there is a balance between presentations and discussions.								
6	The Board receives timely, accurate, and useful information upon which to make decisions.								
7	The Board anticipates issues and does not often find itself reacting to “crisis” situations.								
8	The Board speaks in “one voice” when directing or delegating to management and brings discussions to a conclusion with clear direction to management.								
9	The quality of Directors participation in meeting is satisfactory.								

10	The Board is well diversified in terms of skills, regional and industry experience, background, race and gender								
----	---	--	--	--	--	--	--	--	--

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1:

Comment 2:

These comments will be taken verbatim without mentioning name of the Board Member)

Performance Evaluation of the Committees - Self Evaluation Form

(This Form is to be filled out separately for each committee of the Board in which you are member)

Each Committee member is to rate the following statements in relation to overall performance of the Committees during the last financial year. Please place \checkmark in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have.

Your Name (Optional): _____

Name of the Committee to be assessed: _____

Evaluate the following statements in relation to overall performance of the Committee		Rating Scale				
		1	2	3	4	5
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of competent members					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6.	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale
5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Please provide below any additional comments or suggestions about the work and effectiveness of the committee as a whole.

.....

Summary Report: Performance Evaluation of the Committee

(This result template will be shared with the respective Committee & presented in the Board Meeting)

Name of the Committee:

Statements in relation to overall performance of the Committee		Committee Member A	Committee Member B	Committee Member C	Committee Member D	Average Score
		Scores of each Committee Member will be mentioned on No name basis				
1	The Committee is collegial and polite and meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
2	The Committee is comprised of optimum number of members.					
3	The Committee is comprised of relevant members.					
4	The Committee gets into details, focuses on pertinent topics and allocates reasonable time and there is a balance between presentations and discussions.					
5	The Committee reports back to the Board as it should on all the relevant issues.					
6.	The Committee is effective in carrying out its mandate and make collective judgments about important matters.					

Rating Scale

5 = Strongly agree 4 = Agree 3 = Neither agree nor disagree 2 = Disagree 1 = Strongly Disagree

Comment 1:

Comment 2:

(These comments will be taken verbatim without mentioning name of the Committee Member)

Performance Evaluation of Board Member - Peer Evaluation Form

Each Board Member is to rate the following statements in relation to his/her assessment of their colleague as a Board member during the last financial year. Please place \checkmark in the appropriate box next to each statement using the indicated scale. Please use the space at the bottom to provide any specific comments you may have. Please note, you do not mention your name on the form to keep the process confidential.

Name of Board Member to be assessed _____

Evaluate the following statements in relation to your assessment of your colleague as a Board Member of the Company		Rating Scale				
		1	2	3	4	5
1	Knowledge of key areas					
2	Diligence and preparedness					
3	Effective interaction with others					
4	Constructive contribution to discussion and strategy					
5	Concern for stakeholders					
6	Concern for working of internal controls					

5 = Outstanding, exceptional contribution
 4 = Above expectation
 3 = Satisfactory
 2 = Some improvement required
 1 = Unsatisfactory contribution to the Board

Please provide below any additional comments or suggestions which you believe would help improve the Board's function.

.....



Disclaimer

Copyright © 2013: Comviva Technologies Ltd, Registered Office at 5th, 7th & 8th floor, Capital Cyberscape, Village Ullahwas, Sector 59, Golf Course Extension Road, Gurugram – 122102, Haryana, India

All rights about this document are reserved and shall not be , in whole or in part, copied, photocopied, reproduced, translated, or reduced to any manner including but not limited to electronic, mechanical, machine readable ,photographic, optic recording or otherwise without prior consent, in writing, of Comviva Technologies Ltd (the Company).

The information in this document is subject to changes without notice. This describes only the product defined in the introduction of this documentation. This document is intended for the use of prospective customers of the Company Products Solutions and or Services for the sole purpose of the transaction for which the document is submitted. No part of it may be reproduced or transmitted in any form or manner whatsoever without the prior written permission of the company. The Customer, who/which assumes full responsibility for using the document appropriately. The Company welcomes customer comments as part of the process of continuous development and improvement.

The Company has made all reasonable efforts to ensure that the information contained in the document are adequate, sufficient and free of material errors and omissions. The Company will, if necessary, explain issues, which may not be covered by the document. However, the Company does not assume any liability of whatsoever nature, for any errors in the document except the responsibility to provide correct information when any such error is brought to company's knowledge. The Company will not be responsible, in any event, for errors in this document or for any damages, incidental or consequential, including monetary losses that might arise from the use of this document or of the information contained in it.

This document and the Products, Solutions and Services it describes are intellectual property of the Company and/or of the respective owners thereof, whether such IPR is registered, registrable, pending for registration, applied for registration or not.

The only warranties for the Company Products, Solutions and Services are set forth in the express warranty statements accompanying its products and services. Nothing herein should be construed as constituting an additional warranty. The Company shall not be liable for technical or editorial errors or omissions contained herein.

The Company logo is a trademark of the Company. Other products, names, logos mentioned in this document, if any, may be trademarks of their respective owners.

Copyright © 2013: Comviva Technologies Limited. All rights reserved.