

MINDTREE LIMITED

NOMINATION AND REMUNERATION POLICY

[As per the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. INTRODUCTION:

The Board of Directors of Mindtree Limited (“the Company”) had constituted the “Nomination and Remuneration Committee” which is in compliance with the requirements of the Companies Act, 2013 (“Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

2. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with the provisions of the Act read along with the applicable rules thereto and LODR. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination & Remuneration Committee or by an Independent External Agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Devising a policy on Board diversity;

3. DEFINITIONS:

- 3.1 Act means the Companies Act, 2013 as may be applicable and Rules framed thereunder, as amended from time to time.
- 3.2 Board means Board of Directors of the Company.
- 3.3 Directors mean Directors of the Company.
- 3.4 Executive Directors means the Executive Chairman if any, Chief Executive Officer and Managing Director, Deputy Managing Director, if any and Whole-time Directors.
- 3.5 Key Managerial Personnel means
- Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time directors;
 - Chief Financial Officer;
 - Company Secretary;
 - Senior Management Personnel designated as such by the Board; and
 - Such other officer as may be prescribed.
- 3.6 Senior Management Personnel means all members of management one level below the Executive Directors including the Chief People Officer, Chief Financial Officer and Company Secretary.

4. ROLE OF COMMITTEE:

- 4.1 Matters to be dealt with, by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Review, approve and grants under any stock based schemes such as Employee Stock option, stock purchase scheme, Stock appreciation rights (Phantom Stock)

4.2 Policy for appointment and removal of Director, KMP and Senior Management

4.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his/her appointment.

Appointment and Remuneration of KMP or Senior Management Personnel shall be in accordance with the People Function Policy of the Company. The Company's policy is committed to acquire, develop and retain a pool of high calibre talent, establish systems and practises for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall appoint or continue the employment of any person as Director within the age limit as prescribed under the Act/LODR or shall obtain such approval as required for appointing/continuing a person as Director above the prescribed age limit.

4.2.2. Term / Tenure

- a) Executive Directors:

The Company shall appoint or re-appoint any person as its Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive 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. The rationale for such re-appointment shall also be provided in the Notice to Shareholders proposing such re-appointment.
- 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.

- At the time of appointment or continuation/ re-appointment of Independent Director, compliance with requirements laid under the Act and LODR inter-alia for meeting the independence criteria, directorship in listed entities and performance evaluation shall be ensured.

c) Maximum Number of Directorships:

A person shall not be appointed as a Director in case he is a Director in more than the prescribed number of listed companies as mentioned under the Act and the LODR.

4.2.3. Evaluation

The Committee shall by itself or through the Board or an independent external agency carry out evaluation of performance of the Board/Committee(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

4.2.4. Removal

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

4.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act or the prevailing policy of the Company, as applicable. The Board/Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals as may be required under the Act/LODR.

4.3. Policy relating to the Remuneration of Executive Director, KMP and Senior Management Personnel

4.3.1. General:

- a) The remuneration / compensation / commission etc. to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company, wherever required.

- b) The remuneration and commission to be paid to the Executive Directors shall be in accordance with the percentage / limits / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act/LODR.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board in the case of Executive Directors, which should be within the limits approved by the Shareholders and in accordance with the provisions of the Act.
- d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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.
- e) Remuneration of other KMP or Senior Management Personnel, in any form, shall be as per the policy of the Company based on the grade structure in the Company. The Vice-Chairman and CEO & Managing Director of the Company are authorized to decide any payments or compensation changes to Senior Management excluding the Key Managerial Personnel viz.: Executive Directors, Chief Financial Officer and Company Secretary, which are not as per the policy of the Company based on the grade structure in the Company.
- f) The Directors would be entitled to reimbursement of expenses incurred for attending the Board/Committee meetings and other meetings.

4.3.2. Remuneration to Executive directors/ KMP and Senior Management Personnel:

a) Fixed pay:

The Executive Directors/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee or policy of the Company. In case of remuneration to Directors, the breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.

b) Commission:

Commission may be paid to the Executive Director, as may be applicable, within the monetary limit approved by shareholders, subject to the limits prescribed under the applicable provisions of the Act.

c) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Companies Act.

d) Provisions for excess remuneration:

If any Chairman/Managing Director/Whole-time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act/LODR or without the necessary approvals /, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless necessary approvals are obtained under the Act/LODR.

e) Stock Options in Subsidiary Companies:

Executive Directors may be granted stock options in subsidiary companies as per their Schemes and after taking necessary approvals. Perquisites may be added to the remuneration of concerned directors and considered in the limits applicable to the Company.

4.3.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the limits and conditions mentioned under in the Articles of Association of the Company and the Act.

In case the annual remuneration payable to a single non-executive director exceeds fifty percent of total annual remuneration payable to all non-executive directors, it shall be subject to the approval of shareholders by special resolution.

b) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. The Board of Directors will fix the Commission payable to Directors based on their contribution to the decision making at the Board level and the Industry standards/practice.

c) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non-Executive Directors/ Independent Directors in accordance with the provisions of the Companies Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company.

5. MEMBERSHIP:

- 5.1 The Committee shall consist of a minimum 3 non-executive directors, half of them being independent.
- 5.2 Minimum two (2) members or one-third of the members whichever is greater including atleast one Independent Director shall constitute a quorum for the Committee meeting.
- 5.3 Membership of the Committee shall be disclosed in the Annual Report.
- 5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIRPERSON:

- 6.1 Chairperson of the Committee shall be an Independent Director.
- 6.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 6.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 6.4 Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held atleast once in a year and at such regular intervals as may be required.

8. COMMITTEE MEMBERS' INTERESTS:

- 8.1 A member of the Committee is not entitled to be present/participate in discussion when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- 8.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. SECRETARY:

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

10. VOTING:

Matters arising for determination at 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 Committee.

11. NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

- 11.1 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act or under LODR;
 - 11.2 Determining the appropriate size, diversity and composition of the Board;
 - 11.3 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
 - 11.4 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
 - 11.5 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
 - 11.6 Making 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;
 - 11.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
 - 11.8 Recommend any necessary changes to the Board; and
 - 11.9 Considering any other matters, as may be requested by the Board.
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12. BOARD DIVERSITY:

The Board shall have an optimum composition of directors related to gender, age, expertise from different fields i.e. Finance, Law, Management, Sales, Marketing or any other areas related to the Company's business. The balance of Skills and experience along with diversity of thought, knowledge and perspective and gender will help the Company in attainment of its objectives.

13. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

- 13.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate and all elements of the remuneration of the members of the Board.
- 13.2 To ensure the remuneration maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 13.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 13.4 To consider any other matters as may be requested by the Board.
- 13.5 To review professional indemnity and liability insurance for Directors and senior management.

14. MINUTES OF NOMINATION AND REMUNERATION COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed as per provisions of Act and rules thereunder.

15. REVIEW & AMENDMENT:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. In case of any subsequent changes in the provisions of the Companies Act, 2013 or LODR or other applicable regulations which makes any of the provisions in the policy inconsistent with the Act or LODR or other applicable regulations, then the provisions of the Act or such regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

 Approval History

Ver	Change	Section	Date	Reviewed by	Approved by
1.0	New release	Entire Document	Jan 14, 2020	NRC	Board of Directors
1.1	Amendment	4.3.1 (e)	Nov 21, 2020	NRC	NRC
1.2	Amendment	4.3.2 (c)	April 16, 2021	NRC	NRC