



NOMINATION AND REMUNERATION POLICY

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1. Introduction

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), together defined as “Applicable Law”. This policy on Nomination and Remuneration of Directors, Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors. In case of any conflict between the Applicable Law and this Policy, the provisions of the Applicable Law shall prevail.

2. Definitions

“**Act**” means The Companies Act, 2013 and rules made thereunder, as amended from time to time.

“**Applicable Law**” means the applicable law of SEBI Listing Regulations and the applicable provisions of Companies Act, 2013.

“**Board**” means Board of Directors of Tracxn Technologies Limited.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.

“**Company**” means Tracxn Technologies Limited.

“**Independent Director**” means a Director referred to in Section 149 (6) of The Companies Act, 2013.

“**Managerial Personnel**” means:

- i. Managing Director, or Chief Executive Officer or Manager as defined under Section 2(53) of Companies Act, 2013, and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officers as may be prescribed.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Senior Management**” 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 and Vice President and above.

3. Constitution of the Nomination and Remuneration Committee

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements.

The Committee shall consist of three or more non-executive directors out of which not less than two-third shall be independent directors. The Chairperson of the Committee shall be an independent director, provided that the Chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. The Membership of the Committee shall be disclosed in the Annual Report.

4. Key Objectives of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be responsible for the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, managerial personnel and other employees.
- b) Formulation of criteria for evaluation of performance of independent directors and the Board.
- c) Devising a policy on Board diversity.
- d) Analysing, monitoring and reviewing various human resource and compensation matters.
- e) Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
- f) Recommending to the Board, all remunerations, in whatever form, payable to the senior management personnel and other staff (as deemed necessary).

- g) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- h) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and 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 either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- i) Whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of directors; and
- j) Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law.

5. Appointment and Removal of Director, Managerial Personnel and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Managerial Personnel or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Executive Director or Managing 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.

6. Term/Tenure

- a) **Managing Director/Executive Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or 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 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.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, 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.

Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019

Unless exempt, the Independent Directors shall pass the online proficiency self-assessment test as per the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019

7. Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of Applicable Law, and rules and regulations and the policy of the Company.

8. Retirement

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Managerial Personnel and Senior

Management Personnel in the same position / remuneration or otherwise.

9. Policy for Remuneration to Directors / Managerial Personnel / Senior Management

1) Remuneration to Managing Director / Executive Directors

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Executive Directors, etc. shall be governed as per provisions of Applicable Law and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regards to remuneration to Managing Director / Executive Directors

2) Remuneration to Non- Executive / Independent Directors

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Applicable Law. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Applicable Law and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite

qualification for the practice of that profession.

- d) The Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors.
- e) Where any insurance is taken by the Company on behalf of its Executive Director, Non-Executive Directors, Independent Directors, Nominee Directors, Key Managerial Personnel and any other employee 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.

3) Remuneration to Managerial Personnel and Senior Management

- a) The remuneration to Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay by way of cash bonus or stock options, in compliance with the provisions of Applicable Law and in accordance with the Company's Policy. The Company follows a salary structure which includes Fixed Salary, Performance Linked Incentive and Retirals.
- b) The Fixed pay shall include Basic salary, Dearness Allowance and other allowances.
- c) The Performance Linked Incentive pay shall be decided based on the balance between performance of the Company/Business and performance of the Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate and as per the policy of the Company.
- d) The Retirals include Provident Fund and Gratuity. The Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Managerial Personnel and Senior Management.

10. Board Diversity

The Board shall consist of such optimum number of Directors as per the requirements of the Act and Regulations.

The Committee will lead the process for Board appointments and forward its

recommendations to the Board. All Board appointments will be based on the skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective. The Committee shall address Board vacancies by actively considering candidates that bring a diversity of background and industry experience or related expertise. The candidates will be considered against objective criteria having due regard to the benefits of diversity on the Board.

Additionally, the Committee may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing, business development, international business, operations management or any other professional area, so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

11. Familiarisation Programme

In accordance with Regulation 25 (7) of the SEBI Listing Regulations, the Committee shall familiarize the Independent Directors through various programs about the Company, including the following:

- a. nature of the industry in which the Company operates;
- b. business model of the Company;
- c. roles, rights, responsibilities of Independent Directors; and
- d. any other relevant information.

The Familiarization Programme comprises two segments –

a) Familiarization upon induction of new Directors

- Inductees shall be provided with a copy of all the applicable codes and policies formulated and adopted by the Company.
- An orientation on the Company's products, markets, customers and functions shall be provided.
- Introduction to & interaction with certain key members of the senior management of the company.
- A detailed briefing to the inductee on the roles and responsibilities as Director / independent director
- Independent directors, in particular, shall be provided with an overview of the criteria of independence applicable to Independent Directors as per Applicable Law

The Director is also familiarized in detail with the compliances required from him under other relevant regulations and his affirmation taken with respect to the same. With a view to familiarize him with the Company's operations, the Chairman/Managing Director provides a one-to-one interaction on the organizational set up, the functioning of various divisions / departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role as a Director of the Company.

- b) Annual Familiarization Programme:** The Company shall on an annual basis brief its Directors inter alia about the Company's business model, shareholder profile, financial details, their roles, rights and responsibilities in the Company.

12. Implement

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

13. Amendment

In case of any subsequent changes in the provisions of the Act or SEBI Listing Regulations, or any other applicable law, which makes any of the provisions in this Policy inconsistent with the Act or SEBI Listing Regulations, or any applicable law, then provisions of the Act or SEBI Listing Regulations, or applicable law shall prevail.

Version History

Version	Approval Date	Description
Version 1	12 th Aug 2021	Adopted by Board of Director

Note: This policy is amended pursuant to the amendment in the SEBI LODR and the amended policy is effective from the date of approval of the Board of Directors viz. 10th February 2025.