

Nomination and remuneration policy

Ver. 1.2 (January 20, 2023)

Record of Review

Version No.	Created / Modified By	Reviewed By	Authorized By	Approval/ Modification Date
1.0	Corporate Secretarial	Chief Financial Officer	Board of Directors	July 27, 2015
1.1	Corporate Secretarial	Chief Financial Officer	Nomination and Remuneration Committee	May 2, 2019
1.2	HR & Corporate Secretarial	Chief Financial Officer	Nomination and Remuneration Committee	Jan 20, 2023

1. Objective

Nomination and Remuneration Policy herein is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules made thereunder and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”). The key objectives of the Policy are:

- To assist Nomination and Remuneration Committee (NRC) in identifying 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 and recommend to the Board, all remuneration, in whatever form, payable to senior management;
- To provide for Board diversity;

2. Definitions

2.1. ‘Act’ means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

2.2. ‘Board’ means the Board of Directors of the Company.

2.3. ‘Company’ means LTIMindtree Limited or ‘LTIM’.

- 2.4. 'Committee' means Nomination and Remuneration Committee of LTIM as constituted or reconstituted by the Board, in accordance with the Act and Listing Regulations.
- 2.5. 'Directors' means Directors of the Company.
- 2.6. 'Executive Director(s)' means Chief Executive Officer and Managing Director, and Whole-time Director(s) of the Company.
- 2.7. 'Independent Director' means a Director referred to in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations.
- 2.8. 'Key Managerial Personnel' ('KMP') means
- Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time Director;
 - Chief Financial Officer (CFO);
 - Company Secretary (CS);
- 2.9. 'Senior Management' shall mean as defined under Regulation 16(1)(d) of the Listing Regulations.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time, shall have the same meaning assigned to them therein.

3. Role of committee

3.1. Matters to be dealt with, and recommended to the Board by 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 and recommend the same to the Board, in accordance with the criteria laid/ Board Skill Matrix as approved by the Board.
- Formulate policy on remuneration of the directors, key managerial personnel and senior management.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

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

In accordance with the Act and Listing Regulations, appointment of KMP shall be done by the Board on recommendation of the Committee.

Vice-Chairman and CEO & Managing Director are authorized to select and approve the appointment of Senior Management (other than CFO & CS), as per Company's policy and process.

- b) The Company is committed to acquire, develop and retain pool of high calibre talent, establish systems and practices for maintaining transparency, fairness and equity and provides for payment of competitive pay packages matching industry standards.
- c) The Company shall not appoint or continue the employment of any person as Director who has attained the retirement age, unless approved by the Board/ shareholders pursuant to the requirement of the Act/ Listing Regulations.

3.2.2. Term/Tenure

a) Executive Director

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.
- 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 re-appointment of Independent Director, compliance with requirements laid under the Act and Listing Regulations, inter-alia, for meeting independence criteria, directorship in listed entities and performance evaluation, shall be ensured.

3.2.3. Evaluation

The Committee shall carry out an annual performance evaluation of the Board/ Committee, Chairman and individual directors, by itself or through the Board or an independent external agency, and review its implementation thereof.

3.2.4. Removal

Due to reasons of any disqualification mentioned in the Act or under any other applicable law, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and KMP subject to the provisions and compliance of the said Act, law, rules and regulations. Removal of Senior Management (other than CFO & CS) shall be as per Company's policy and process.

3.2.5. Retirement

Director, KMP and Senior Management shall retire as per the applicable provisions of the Act or as per the prevailing policy of the Company. The Board will have the discretion to retain a Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the age of superannuation, for the benefit of the Company, subject to compliance with the applicable provisions of law.

3.3. Policy relating to remuneration of Executive Director, KMP and Senior Management

3.3.1. General:

- a) Remuneration/ compensation/ commission etc. to Executive Director will be determined by the Committee and recommended to the Board for approval, which shall be subject to prior/post approval of the shareholders of the Company, as the case may be.
- b) Remuneration and commission to be paid to Executive Director 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.
- c) Increments to the existing remuneration/ compensation structure of Executive Director shall be recommended by the Committee to the Board, which shall be within the limits approved by the shareholders and in accordance with the provisions of Schedule V of the Companies Act, 2013.
- d) Where any insurance is taken by the Company or its Holding Company on behalf

of the Company's Executive Director, Chief Executive Officer, Chief Financial Officer, Company Secretary 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. 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 Senior Management, shall be as per the policy of the Company. Vice-Chairman and CEO & Managing Director are authorized to decide any payment and/or change in compensation of Senior Management.
- f) **Reimbursement of Expenses:** The Directors would be entitled to reimbursement of expenses incurred for attending Board/ Committee meetings and other meetings.

3.3.2. Remuneration to Executive Director/ KMP and Senior Management:

a) Fixed pay:

Executive Director shall be eligible for monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites, including employer's contribution to P.F., pension scheme, medical expenses, club fee etc. shall be decided and approved by the Board on the recommendation of the Committee, subject to approval of the shareholders, as applicable. Monthly remuneration of Senior Management shall be as per the policy of the Company.

b) Commission:

Commission may be paid to Executive Director, as may be applicable, within the monetary limit approved by the 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 Director in accordance with the provisions of Schedule V of the Act.

d) Provisions for excess remuneration:

If Executive Director draws or receives, directly or indirectly, by way of remuneration any sum in excess of the limits prescribed under the Act or without the approval(s) as required under the Act, he/ she shall refund such sum(s) to the Company as prescribed under the Act 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 approved by the shareholders as prescribed under the Act.

3.3.3. Remuneration to Non-Executive/ Independent Director:

a) Remuneration/ Commission:

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

In case the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, it shall be subject to approval of the shareholders by way of special resolution as per Listing Regulations.

b) Sitting Fees:

Non-Executive/ Independent Director may receive remuneration by way of fee for attending meetings of Board or Committee thereof, provided that the amount of such fee shall not exceed Rupees one lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act and as per the criteria approved by the Board from time to time. The Board will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended by them during the year, chairmanships of committees and their contribution / participation / involvement in Company's strategic matters.

d) Stock Options:

Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for stock options in accordance with Scheme(s) formulated by the Company.

4. Membership

4.1. The Committee shall consist of a minimum three Non-Executive Directors and at least two-third of the Directors shall be independent directors.

4.2. Minimum two members or one-third of the members, whichever is greater, including at least one Independent Director, shall constitute quorum for the Committee meeting.

4.3. Membership of the Committee shall be disclosed in the Annual Report.

- 4.4. Term of the Committee shall be continued unless terminated by the Board of Directors.

5. Chairperson

- 5.1. Chairperson of the Committee shall be an Independent Director.
- 5.2. Chairperson of the Company may be appointed as a member of the Committee but shall not be the Chairman of the Committee.
- 5.3. In absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson of the meeting.
- 5.4. Chairperson of the Committee may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. 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 under law.

7. Committee members' interests

- 7.1 A member of the Committee is not entitled to participate in the discussion and vote, when his or her own remuneration is discussed at the meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Secretary

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

9. 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.

10. Nomination duties

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

- 10.1 Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act or Listing Regulations;
- 10.2 Determining the appropriate size, diversity and composition of the Board;
- 10.3 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.4 Evaluating the performance of the Directors in the context of the Company's performance from business and compliance perspective;
- 10.5 Making recommendation to the Board concerning any matter relating to the continuation in office of any Director at any time, including suspension or termination of service of an Executive Director subject to the provisions of the law and their service contract.
- 10.6 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.7 Recommend any necessary changes to the Board; and
- 10.8 Considering any other matter, as may be requested by the Board.

11. 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 area related to the Company's business.

12. Remuneration duties

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

- 12.1 To determine the Remuneration Policy based on performance, so that the remuneration is reasonable and sufficient to attract, retain and motivate Directors.
- 12.2 To ensure the remuneration of the Directors involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- 12.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 12.4 To consider any other matter as may be requested by the Board.
- 12.5 Ensuring that professional indemnity and liability insurance cover for Directors and senior management is in place.

13. Minutes of committee meeting:

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

14. Review and amendment:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

Unless required under the Act or Listing Regulations or other applicable regulations to be approved by the Board or Committee, all statutory amendments in the Act or Listing Regulations or other applicable regulations, shall be effective and binding even if such amendments are not incorporated in the Policy herein.

For administrative convenience, any change in the Policy herein shall be made by the Company Secretary in consultation with 'Chief Executive officer & Managing Director' or 'Chief Financial Officer'. Apart from administrative convenience and any statutory amendments, any material change that substantially impacts the implementation of the existing Policy shall be approved by the Committee and notified to the Board.