One 97 Communications Limited

Nomination and Remuneration Policy

Version 3.0

<table>
<thead>
<tr>
<th>Policy Version</th>
<th>Date of Board approval</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1.0</td>
<td>October 17, 2014</td>
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<tr>
<td>Version 2.0</td>
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<tr>
<td>Version 3.0</td>
<td>July 21, 2023</td>
<td>July 21, 2023</td>
</tr>
</tbody>
</table>
Table of Contents

Preamble ......................................................................................................................................... 3
Definitions....................................................................................................................................... 3
Objective, purpose and Scope ......................................................................................................... 3
Letter of Appointment .................................................................................................................... 4
Appointment criteria and Qualification of Directors ....................................................................... 4
Term/Tenure .................................................................................................................................... 5
Independence of Independent Directors ........................................................................................... 5
Appointment Criteria and qualification of KMP and SMP and other employees ....................... 6
Retirement ....................................................................................................................................... 6
Removal ......................................................................................................................................... 6
Evaluation ....................................................................................................................................... 6
Remuneration to Executive Directors .............................................................................................. 6
Remuneration to Non-Executive Directors ....................................................................................... 7
Remuneration to KMP, SMP and other employees ......................................................................... 7
Directors and Officers Liability Insurance Policy ............................................................................ 8
Review ........................................................................................................................................... 8
Limitation ........................................................................................................................................ 8
Disclosure of this Policy by the Company ....................................................................................... 8
Policy Review ................................................................................................................................. 8
Preamble

This Nomination and Remuneration Policy (the “Policy”) has been formulated by One 97 Communications Limited (“Company”) in compliance with Section 178 of the Companies Act, 2013, read with applicable rules made thereunder and in compliance of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The Board of Directors of Company ("Board") has approved and adopted this Policy on the recommendation of the Nomination and Remuneration Committee. It is understood that this policy shall be subject to the provisions of the Articles of Association of the Company and any agreements that the Company may have entered into.

Definitions

a) “Act” means the Companies Act, 2013, as amended from time to time and the rules framed thereunder.

b) “Committee” or “NRC” means the Nomination and Remuneration Committee of the Company constituted or reconstituted by the Board of the Company in compliance with the provisions of the Act and the SEBI Listing Regulations.

c) “Director” means a member of the Board of the Company.

d) “Employee” means any person who is a permanent employee of the Company.

e) “Independent Director” means a Director referred to under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations, as amended from time to time.

f) “Key Managerial Personnel” or “KMP” means Key Managerial Personnel as defined under sub-section (51) of Section 2 of the Act as under:

   i) the Chief Executive Officer or the Managing Director or the Manager;
   ii) the Company Secretary;
   iii) the Whole-time Director;
   iv) the Chief Financial Officer;
   v) such other officer, not more than one level below the Directors who are in whole-time employment, designated as key managerial personnel by the Board; and
   vi) such other officer as may be prescribed.

g) “Senior Management Personnel” or “(SMP)” means personnel of the Company who are members of its core management team excluding Board, comprising all members of management one level below the Chief Executive Officer and the Managing Director, and the Whole-Time Director of the Company, and shall specifically include the functional heads, by whatever name called and the Company Secretary and Chief Financial officer of the Company and as may be defined under applicable laws from time to time.

Words and expressions not defined in this policy shall have the same meaning as contained in the Act and the SEBI Listing Regulations.

Objective, purpose and Scope

The objective of this Policy is to serve as a guiding charter to appoint qualified persons as
Directors on the Board of the Company ("Directors"), Key Managerial Personnel (the “KMP”), and Senior Management Positions (“SMP”), to recommend the remuneration to be paid to them and to evaluate their performance including:

a) lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors) and persons who may be appointed as KMP and SMP.

b) identify the criteria for determining qualifications, positive attribute and independence of Directors;

c) specify framework for remuneration of Directors, KMP and SMP, based on factors including the Company’s size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry.

d) specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors and Chairman of the Board to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.

e) assessing the independence of Independent Directors

f) providing them reward, linked directly to their efforts, performance, dedication and achievement relating to the Company’s operations.

g) retaining, motivating and promoting talent and to ensure long term sustainability of talented persons and create competitive advantage.

h) Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Act and Rules thereunder and the SEBI Listing Regulations

Letter of appointment

Letter of appointment shall be issued by the Company to each Director, KMP and SMP based on the recommendations of the NRC on the basis of the guidelines for the same under the Act and this Policy and shall be accepted and signed by the concerned person.

Part A – Criteria for Appointment of Directors, KMP and SMP

a) Appointment criteria and Qualification of Directors

1) The Board shall have an optimum combination of Executive, Non-Executive and Independent Directors including woman Director in accordance with requirements of the Articles of Association of the Company, the Act and SEBI Listing Regulations as it is necessary to effectively manage the affairs of the Company.

2) The Committee shall be responsible for identifying suitable candidates for appointment/ re-appointment of Chairman, Managing Director, Whole-time Director, Non-Executive Director including an Independent Director. While
evaluating a person for appointment/re appointment as Directors, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement) professional and personal accomplishment, age, experience of industry and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

3) The proposed candidate shall possess appropriate expertise, experience and knowledge in one or more fields of Business and Management, Technology and Digital Expertise, finance, Marketing, Corporate Governance or such other areas related to the Company's business as determined by the NRC

4) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-Time Director and Non-Executive Director who has attained the maximum 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

5) The Committee shall ensure that an appropriate induction and training and familiarization program is in place for new Directors after their appointment.

b) Term / Tenure

1) Managing Director/Whole-Time Director

The Company shall appoint or re-appoint a person as its Managing Director and CEO or Whole-Time Director for a term not exceeding five years which may be extended to another term of five years with the approval of the shareholders as may be permitted under the applicable laws.

2) Non-Executive Non-Independent Director

The Non-Executive Director’s office is subject to retirement by rotation at the Annual General Meeting in the manner as specified under the applicable laws.

3) Independent Director

An Independent Director shall be appointed / re-appointed for a term not exceeding five years which may be extended to another term of five years with the approval of the shareholders and shall not be liable to retire by rotation.

c) Independence of Independent Directors

The independence of Directors is decided based on criteria provided under the relevant provisions of the Act read with rules made thereunder, and any modification/amendments made from time to time and as envisaged under SEBI Listing Regulations. A declaration of independence is taken from the Independent Directors at the first meeting of the Board in which he or she participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an Independent Director. An Independent Director shall be under the obligation to inform the Board of any change in circumstances which may affect his/her independence.
d) Appointment Criteria and qualification of KMP and SMP (not being a Director) and other employees.

1) The Managing Director/Whole-Time Director shall ensure that the candidate possesses the requisite qualification, expertise and experience for the position he/she is considered for appointment, as per the Company’s requirements and applicable laws/policies. The appointment of KMP and SMP shall be approved by the Board on recommendation of the NRC.

2) The Managing Director/Whole-Time Director shall identify the candidate based on a final interview for selection and recommend to the NRC.

3) Based on the recommendation of the Managing Director/Whole-Time Director, the NRC shall consider and make a recommendation to the Board for appointment of KMP and SMP. NRC shall have a right to interview the identified candidate.

4) The appointment of other employees shall be made based on the experience, qualifications, and expertise of the individual as well as the roles and responsibilities required for the position as per applicable policy of the Company in this regard.

e) Retirement

The Directors, KMP and SMP shall retire as per the applicable provisions of the Act along with the rules made there under and the prevailing policy of the Company. The Board will have a discretion to retain any Director, KMP and SMP, even after attaining the retirement age, for the benefit of the Company, after seeking applicable approvals.

f) Removal

Due to reasons for any disqualification mentioned in the Act and rules made there under or under any other applicable law, the Committee may recommend to the Board with reasons recorded in writing for removal of a Director, KMP and SMP, subject to the provisions of the Act and other applicable laws, policy of the Company and terms of their respective appointment.

g) Evaluation

The Committee shall specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors and Chairman of the Board to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.

Part B – Remuneration to Directors/KMP/SMP and other employees

The remuneration structure would normally depend upon the roles and responsibilities as well as the prevailing market practices. 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 and SEBI Listing Regulations.

a) Remuneration to Executive Directors (Managing Director and Whole-Time Director)

The remuneration (including revision in the remuneration) of Executive Directors shall be approved by the Board based on the recommendation of the Committee. 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 Schedule V of the Act.

The remuneration payable to Executive Directors may consist of the following:

I. Base Compensation (fixed salaries): This component of salary is competitive and reflective of the individual’s role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis. The base Compensation includes salary, allowances and other statutory/non-statutory benefits which are a normal part of remuneration package in line with market practices.

II. Variable salary/Long Term Incentives: A relevant part of remuneration is payable as variable salary linked to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set in this regard.

III. Stock Options in accordance with applicable laws.

IV. Any other component/benefits as may be recommended and approved by the NRC as per applicable provisions of the law and/or policies of the Company.

b) Remuneration to Non-Executive Directors including Independent Directors:

I. Remuneration – In terms of the provisions of Section 197 of the Act read with the rules made thereunder and in pursuance of the approval of the Board and the shareholders of the Company, the Non-Executive Directors (whether independent or otherwise) shall be eligible to receive the remuneration as recommended by the Committee and approved by the Board and/or shareholders, as applicable.

II. Sitting Fees – The non-executive/independent Director may receive remuneration by way of fees for attending meetings of the Board or Committees of the Board to which they are appointed from time to time thereof. Provided that the amount of such fees shall not exceed the limits prescribed under the Act.

III. In the event of absence or inadequacy of profits, subject to the approval of the shareholders of the Company and on the recommendation of the Committee, the Company shall pay remuneration to its Non-Executive / Independent Directors in accordance with the provisions of Schedule V of the Act.

IV. Stock incentive: The Independent Directors shall not be entitled to any stock incentive of the Company.

c) Remuneration to KMP (other than covered in Clause a above), SMP and other employees:

The remuneration of KMP (other than covered in Clause a above), SMP and other employees, shall be as per the policies of the Company. The Committee shall recommend to the Board, all remuneration, in whatever form, payable to KMP and SMP.

The remuneration payable to KMP, SMP and other employees may consist of the following:
I. Fixed Pay: This component of salary is competitive and reflective of the individual’s role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis. The base Compensation includes salary, allowances and other statutory/non-statutory benefits which are a normal part of remuneration package in line with market practices.

II. Variable salary/Long Term Incentives: A relevant part of remuneration is payable as variable salary linked to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set in this regard.

III. Stock Options in accordance with applicable laws.

IV. Perquisites and such other benefits as may be deemed appropriate as per applicable laws and/or Policies of the Company.

Directors and Officers Liability Insurance Policy

All Directors and officers (including KMP and SMP) of the Company would be covered by the requisite Directors and Officers Liability Insurance Policy.

Review

The policy shall be reviewed by the Nomination & Remuneration Committee at appropriate intervals and based on its recommendations; the Board may revise the same from time to time.

Limitation

In the event of any conflict between the provisions of this Policy and the Act, rules made there under, the SEBI Listing Regulations or any other statutory enactments or rules as maybe applicable, the provisions of Act, rules made there under, the SEBI Listing Regulations or any other statutory enactments or rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

Disclosure of this Policy by the Company

This Policy shall be placed on the website of the Company and the salient features of the Policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board’s Report.

Policy Review

a) This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations.

b) In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

c) This policy shall be reviewed by the Committee as and when any changes are to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board for their approval.