



POLICY-ON-NOMINATION **AND REMUNERATION POLICY**

(The policy was reviewed and amended suitably by the Board of Directors on 28th Jan 2023)

ZEN TECHNOLOGIES LIMITED

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PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable, competitive remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of Section 178 and its provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015 as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

OBJECTIVES OF THE POLICY

While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178 of the Act, which are as under:

- a. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration and to recommend to the Board their appointment and removal.
- b. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- c. To carry out evaluation of the performance of Board, its Committees and Individual Directors.
- d. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- e. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- f. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Zen Technologies Limited."
- "Director" means Director of the Company.
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- "Key Managerial Personnel" (KMP) means
 - Chief Executive Officer or the Managing Director or the Manager,
 - Company Secretary,
 - Whole-time Director,



- Chief Financial Officer and
- Such other officer as may be prescribed not more than one level below the Directors who is in Whole time Employment, Designated Key Managerial Personnel by the Board..
- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- “Policy or This Policy” means, “Nomination and Remuneration Policy.”
- “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 officers of Zen Technologies Limited (“the Company”), who are members of its core management team and hold designations /positions at the Senior Vice President level and above and specifically includes the designations/ positions of Company Secretary and the Chief Financial Officer of the Company.

APPLICABILITY

The Policy is applicable to

- i. Directors (Executive and Non-Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel

A. Matters to be dealt with, perusal and recommended to the Board by the Nomination and Remuneration Committee

1. Formulate the criteria for determining qualifications, positive attributes and independence of Directors, Key Managerial Personal and other Employees.
2. 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.
3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personal.
4. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. Use the services of an external agencies, if require;
 - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.



B. Membership Of Committee

- a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d. Membership of the Committee shall be disclosed in the Annual Report.
- e. Term of the Committee shall be continued unless terminated by the Board of Directors.

C. Chairman

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

D. Committee Members' Interests

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

E. Voting

- a. 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.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

F. Eligibility criteria for Appointment of Directors, Key Managerial Personal and Senior Management



1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Other Employees at Senior Management level and recommend to the Board his/her appointment.
2. 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.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole time 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.

G. Term and Remuneration

1. Managing Director/Whole-time Director

- i. The Company shall appoint or re-appoint any person as its Managing Director or Whole-time 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.
- ii. The remuneration/ compensation/ commission etc. to the Managing Director or Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. for Managing Director or Whole-time Director shall be subject to the approval of the shareholders of the Company and Schedule V of the Companies Act, 2013.
- iii. Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, 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.
- iv. The Managing Director or Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including employer's contribution to P.E, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders.
- v. If, in any financial year, the Company has no profits or its profits are inadequate the Company shall pay remuneration to its Managing Director or whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.
- vi. No Independent Director, who resigns from the Company, shall be appointed as an Executive/ Whole Time Director on the board of the Company, its subsidiary or associate Company or on the board of a Company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.



2. Chief Financial Officer (C.F.O), Company Secretary (C.S) and Senior Management Personnel

- i. The remuneration / compensation etc. to the Chief Financial Officer, Company Secretary and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
- ii. The Chief Financial Officer, Company Secretary and Senior Management Personal shall be eligible for a 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 fees etc. shall be decided and approved by the Board on the recommendation of the Committee.

3. Independent Director

- i. With effect from April 1, 2022, the appointment, re-appointment or removal of Independent Director of a Listed Entity shall be subject to the approval of shareholders by way of Special Resolution and disclosure of such appointment shall be made in the Board's report.
- ii. 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company, he/she shall be eligible for appointment for one more term of 5 years only.
- iii. At the time of appointment of Independent Director is should be ensured that number of Boards on which such Independent Director serves is restricted to seven Listed Companies as an Independent Director and three Listed Companies as an Independent Director in case such person is serving as a whole-time Director of a Listed Company.

H. Remuneration to Non-Executive / Independent Director

i. Sitting Fees

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs.1,00,000/- (Rupees One lakh only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

ii. Commission

Commission may be paid within the monetary limit approved by shareholders, computed as per the applicable provisions of the Companies Act, 2013.

I. Evaluation

The Committee shall carry out evaluation of performance of Board, its Committees and Individual Directors annually.



J. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, 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.

K. Retirement

The Director, KMP and Senior Management Personal shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after retirement age, for the benefit of the Company.
