MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED

NOMINATION AND REMUNERATION POLICY

VERSION CONTROL

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MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED MANIPAL

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1. LEGAL FRAMEWORK

This Nomination and Remuneration Policy (the "Policy") has been formulated in compliance with Section 178 of the Companies Act, 2013, read with applicable rules made thereunder and in compliance of Regulation 19 of the SEBI (LODR), when so applicable. This Nomination and Remuneration Policy is applicable to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel (the "SMP") of Manipal Payment and Identity Solutions Limited ("Company").

2. EFFECTIVE DATE

This Policy shall come into force with effect from 23rd June, 2025.

3. OBJECTIVE & SCOPE

The objective of this Policy is to serve as a guiding charter to appoint qualified persons as Directors, Key Managerial Personnel, and Senior Management Personnel, and to recommend the remuneration to be paid to them, and to evaluate their performance. The Nomination and Remuneration Committee shall provide a policy framework for:

(a) Identifying persons who are qualified to become Directors and who may be appointed as KMPs and in senior management position in accordance with the criteria laid down, recommend to the Board for their appointment and removal;

(b) Devising a policy on Board diversity;

(c) Carrying out evaluation of every Director's performance;

(d) Identifying the criteria for determining qualifications, positive attributes and independence of a Director;

(e) Finalizing the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel;

(f) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(g) To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company 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.

(h) To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.

(i) Assessing the independence of Independent Directors; and

(j) Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder and the SEBI (LODR), whenever applicable.

4. DEFINITIONS

"Act" means the Companies Act, 2013 (and the Rules made thereunder) and the Companies Act, 1956 to the extent applicable.

"Board/Board of Directors" means the Board of Directors of the Company.

"Company" means Manipal Payment and Identity Solutions Limited.

"Director" means a director appointed to the Board of the company.

'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013 and/or as defined under Regulation 16 (b) of the Listing Regulations.

"Key Managerial Personnel (KMP)" means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act,2013 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 is in whole-time employment, designated as key managerial personnel by the Board; and
(vi) such other officer as may be prescribed.

"Nomination and Remuneration Committee (NRC)" means a Committee of Directors constituted under Section 178 of Companies Act, 2013, read with rules made thereunder

"Policy" means this policy, as amended from time to time.

"Rules" means the rules made under the Companies Act, 2013.

"SEBI (LODR)" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

"Senior Management Personnel (SMP)" means mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the board of directors, by the Company.

5. CONSTITUTION/ RECONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE AND FORMULATION OF POLICY

1. The Board shall constitute the Nomination and Remuneration Committee ("Committee"), the composition of which shall be in line with the requirements under the Act and SEBI LODR. This Policy is integral to the functioning of the Committee.

2. While formulating this Policy, the Committee shall consider the following factors as laid down under Section 178(4) of the Act:
   (a) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (b) remuneration to Directors, KMP and Senior Management Personnel 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.

6. ACCOUNTABILITY

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. However, the Board, in terms of requirements of Companies Act, 2013 and rules made thereunder, has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company to the Nomination and Remuneration Committee which makes nominations & recommendations to the Board.

7. APPOINTMENT OF DIRECTORS & KMPS/SMPS

(a) Directors

Enhancing the competencies and diversity of the Board, along with providing strategic inputs to the management of the Company are the main criteria/focus area while selecting Directors of the Company. The proposed candidates are assessed against a range of criteria which includes but not limited to:

i. Personality, skills and professional knowledge
ii. Knowledge and experience relevant to the business of the Company
iii. Understanding of and experience in performing his roles and responsibilities
iv. Independence of judgment
v. Educational and professional qualification(s)
vi. Past performance and credentials, behaviour &conduct
vii. Ability to work individually as well as a member of team
viii. Ability to represent the Company
ix. Interaction and relationship with the other members of the Board, KMPs and key stakeholders
x. Board room conduct
xi. Communication skills and
xii. Ethics and Values

(b) Independent Directors

Independence of Directors is decided on the basis of criteria provided under the relevant provisions of the Companies Act, 2013, read with rules made thereunder, and any modification/amendments done from time to time and as envisaged under SEBI (LODR). A declaration of independence is taken from the Independent Directors at the first meeting of the Board in which he 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 status as an Independent Director.

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 based on 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 to have the capabilities identified in the description. For identifying suitable candidates, the Committee to:

i. use the services of an external agency, if required;
ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
iii. consider the time commitments of the candidates.

(c) KMPs/ SMPs

KMPs and SMPs are identified by the Company and informed to the Nomination and Remuneration Committee from time-to –time for recommendation to the Board for appointment.

For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required; and
ii. consider candidates from a wide range of backgrounds, having due regard to diversity.

8. LETTERS OF APPOINTMENT

The Company issues a formal letter of appointment to each Director, KMPs and SMPs which *inter alia*, contains the terms of appointment and the role assigned by the Company and gets it accepted and signed by the concerned individual

9. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPs) & SENIOR MANAGEMENT PERSONNEL (SMPs)

While fixing the remuneration, the guiding principle is that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs. The salaries of the Directors, KMPs and SMPs is based and determined on the basis of individual's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any. Individual remuneration packages for Directors, KMPs and SMPs of the Company are determined after taking into account relevant factors, including but not limited to:

(a) Qualification and experience
(b) Level of engagement in the affairs of the Company,
(c) Market conditions,
(d) Financial and commercial health of the Company,
(e) Practice as per industry norm.,
(f) Prevailing laws and government/other guidelines.

Remuneration Structure

The remuneration structure would normally depend upon the roles and responsibilities as well as the prevailing market practices. In normal circumstances, the remuneration of an individual shall be divided between fixed and variable components as required under the provisions of the Companies Act, 2013 and as envisaged in SEBI (LODR).

(a) 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 normal part of remuneration package in line with market practices.

(b) Variable salary: 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.

(c) Any other component/benefits as may be recommended by the management and approved by the NRC.

10. EVALUATION / ASSESSMENT OF DIRECTORS

The evaluation/assessment of the Directors is conducted on an annual basis. The following criteria assists in determining how effective the performances of the Directors have been:

(a) Vision and clarity of role & responsibility: The individual Director should have awareness of fiduciary and statutory requirements and a clearly articulated vision. This includes clarity of role as a member of the Board of the Company.

(b) Board Processes: The quality of board processes such as decision making (i.e. how directors ensure they are well informed to be able to make the decisions in the best interest of the Company and its stakeholders) selection and induction etc.

(c) Engagement with the Management: How well the board engages with the management to ensure it is well supported and able to meet the needs of its members.

(d) Board dynamics: At the heart are the board dynamics, it is the quality of individual relationships and dialogues that directly influences the quality of decision making and relationships with key stakeholders.

(e) Frequency of participation: The director should make him /her available for attending the Board meetings of the Company and be available for providing his/her guidance and support in case of need.

11. REMOVAL OF DIRECTOR, KMP/SMP

Due to reasons for any disqualification mentioned in applicable laws, 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 applicable laws.

12. RETIREMENT OF DIRECTOR, KMP/SMP

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of applicable law and relevant policies of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management Personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under applicable laws.

13. LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or SEBI (LODR) or any other statutory enactments or rules as may be applicable, the provisions of SEBI (LODR) / Act or statutory enactments 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.

14. COMMUNICATION

This Policy shall be hosted on the website of the Company for such minimum period as mandated by the provisions of SEBI (LODR) and thereafter as per the archival policy of the Company.

15. RETENTION OF DOCUMENTS

All important documents generated in the implementation of this Policy shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other applicable law in force, whichever is more.

16. ADMINISTRATION OF THE POLICY

The Nomination & Remuneration Committee shall oversee the execution of this Policy.

17. REVIEW AND AMENDMENT

This Policy shall be reviewed by the Nomination & Remuneration Committee at least once annually. It may recommend any changes and modifications to the Board for final decision.

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