



**“Nomination and Remuneration Policy for Directors,
KMPs and Senior Management”**



1. Preface

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMP) has been formulated by the Nomination and Remuneration Committee ('NRC' or the 'Committee') and approved by the Board of Directors. In case of any inconsistency between the provisions of law and this Policy, the provisions of the above stated law shall prevail, and the Company shall abide by the applicable law.

Accordingly, the Board of Directors of Droom Technology Limited (the "Company") has approved and adopted this policy on October 16, 2021.

2. Objectives

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee would be:

- a. To recommend to the Board appointment and removal of Directors, KMP and Senior Management Personnel (SMP) of the Company.
- b. To recommend to the Board the remuneration payable to the Directors, KMP, SMP and other Employees of the Company.
- c. To evaluate the performance of every member of the Board and provide necessary report to the Board for their further performance evaluation by the Board.
- d. To recommend reward(s) payable to the KMP and SMP linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e. To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. Definitions

- **"Board of Directors"** or **"Board"** means the Board of Directors of the Company as constituted/reconstituted, from time to time.
- **"Company"** Means Droom Technology Limited
- **"Policy"** means Nomination & Remuneration Policy
- **"Committee"** means Nomination and Remuneration Committee of the Company as constituted by the Board
- **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.
- **"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.
- **“Senior Management or SMP”** includes officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director and shall specifically include Company Secretary and Chief Financial Officer.
 - **“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.
 - **“Act”** means Companies Act, 2013 and rules made thereunder.
 - **“SEBI Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

4. Applicability

This Nomination and Remuneration Policy is applicable to the following personnel:

- Directors (Executives and Non-executives) and KMPs
- Senior Management Personnel
- Any other positions within the Company at the discretion of the Board of Directors.

5. Key Principles

The following principles guide the design of remuneration under this Policy:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) 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

6. Appointment Criteria and Qualifications

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel, or at Senior Management Personnel and recommend to the Board his/ her appointment.
- (ii) 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.



7. Remuneration to Managing Director(S) / Whole Time Director(S) And Key Managerial Personnel

- (i) The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits permissible under the law.
- (ii) The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- (iii) The remuneration of Executive Directors and Key Managerial Personnel will include the following components:
 - a) Basic Pay
 - b) Commission / Variable Component / Bonus
 - c) Perquisites and Allowances
 - d) Retirement Benefits
 - e) Other components as may be permitted

8. Remuneration to Non-Executive and Independent Directors.

- (i) The Board on the recommendation of the Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits permissible under the law.
- (ii) The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as may be recommended by the Committee and as permissible under the law.

9. Remuneration of Senior Management Personnel:

The total remuneration package of SMP would consist of the following:

- **Fixed Salary:** The SMP's fixed salary shall be competitive and based on the Individual's responsibilities and performance.
- **Variable Salary:** The SMP may receive variable salaries in addition to fixed salaries as per Company's compensation plan. The variable salary may be based on inter-alia the performance of the Company as a whole or the performance of respective business verticals where the SMP is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives.
- **Share Options:** SMP's may be eligible for long-term incentive plan in the form of Employee Stock Option (ESOP), as per the ESOP scheme in force from time to time.
- **Non-monetary benefits:** The SMP may be entitled to customary non-monetary benefits as may be applicable to them as per Company policies. The extent of such non-monetary benefits is negotiated with each individual SMP.
- **Other permitted components:** Any other permitted component as may be permitted by Law or Company Policy.

10. Remuneration to other Employees



Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

11. Evaluation

The Committee shall carry out evaluation of performance of every Director of the Company in compliance with the applicable law.

12. Disclosure

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

13. Review & Amendments

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change 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 of Directors for their approval.