



## Policy on Remuneration to Directors, KMP, SMP and Other Employees

# Policy on Remuneration to Directors, KMP, SMP and Other Employees (“Remuneration Policy”)

## **INTRODUCTION**

This Remuneration Policy has been framed to provide a framework for remuneration of members of the Board of Directors (“the Board”) of the Company, Key Managerial Personnel, Senior Management Personnel and other employees of the Company, pursuant to provisions of Section 178(3) of the Companies Act, 2013 (the “Act”) and the rules made thereunder and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The objective of Data Patterns (India) Limited’s (“DPIL”) Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of DPIL stakeholders.

## **THE NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee (“Committee”) is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, KMP and Senior Management of DPIL from time to time.

While formulating this policy, the Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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:

## **CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS**

### **Definition of Independence**

A Director will be considered as a ‘Independent Director’ (‘ID’) if the person meets with the criteria for ‘Independent Director’ as laid down in the Companies Act, 2013 (the ‘Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

### **Qualifications of Directors**

A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

### **Positive attributes of Directors**

In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to the Act.

## **CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS**

Criteria for making payments to the Non-Executive Directors shall be mentioned in the Annual Report of the Company.

### **Remuneration to Non-Executive/Independent Director:**

#### **1. Sitting Fees:**

The Non-Executive Director(s) shall receive sitting fees for attending meetings of the Board or Committee thereof or any other meeting within the limits prescribed under Companies Act, 2013.

#### **2. Commission:**

The profit-linked Commission may/shall be paid within the monetary limit as prescribed under Companies Act, 2013.

#### **3. Payment to Independent Directors:**

An Independent Director shall not be entitled to any stock option and shall receive sitting fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related remuneration up to the monetary limit prescribed under the Companies Act, 2013.

### **Remuneration for Managing Director/Executive Directors:**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of Companies Act, 2013.

The remuneration payable to the executive directors including managing or whole-time director or manager shall be inclusive of the remuneration payable for the services rendered by them.

### **Remuneration for Key Managerial Personnel/Senior Management Personnel:**

Apart from the directors, the remuneration and revision thereof of

- All the KMPs such as the company secretary, chief financial officer or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company which here means, the Senior Management as defined under Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be recommended by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director which will be approved by the Nomination and Remuneration Committee and Board of Directors.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

## **REMUNERATION TO OTHER EMPLOYEES**

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined by the Human Resource Department on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity, local market conditions and industry benchmarks.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

### **CRITERIA FOR PERFORMANCE EVALUATION**

To carry out performance evaluation of Board, Committees, Chairperson and Directors, criteria to be considered would, inter alia, include the following:

#### **For Board & Committees of Board:**

1. Composition with requisite number Directors with balanced mix of skills and expertise
2. Adequate representation of Independent Directors
3. Frequency & Quality of Meetings
4. Clear roles and responsibilities defined
5. Timely circulation of agenda with adequate time for discussions and decision making
6. Compliance with regulatory compliance for record keeping
7. Oversight of internal controls and risk mitigation measures
8. Reviewing Management's Performance
9. Working in the interests of all the stakeholders of the company.

#### **For Directors:**

1. Attendance and Participation
2. Pro-active and positive approach
3. Acting in good faith and in the interests of the company as a whole
4. Exercising duties with due diligence and reasonable care
5. Complying with legislations and regulations in letter and spirit
6. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion
7. Maintaining relationships of mutual trust and respect with Board members

#### **For Chairperson: (Additional criteria)**

1. Effectiveness of leadership and ability to steer the meetings
2. Ability to keep shareholders' interests in mind
3. Impartiality
3. Commitment

#### **For Independent Directors: (Additional Criteria)**

Independence & Independent views and judgement

The evaluation shall be done by the Board, by the Nomination & Remuneration Committee and by the Independent Directors in their separate meeting, as prescribed under the applicable laws. The aforesaid criteria for performance evaluation are not exhaustive and shall subject to review from time to time in line with the Guidance Note published by SEBI and the Institute of Company Secretaries of India as amended.

## **GENERAL**

This Policy shall also apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

As amended on May 17, 2025