



**NXTDIGITAL LIMITED**  
**(Formerly known as Hinduja Ventures Limited)**

**REMUNERATION POLICY**

**1. Objective**

The objective of the remuneration policy of NXTDIGITAL LIMITED (hereinafter referred to as “NXTDIGITAL”) (Formerly known as Hinduja Ventures Limited) 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 NXTDIGITAL’s stakeholders.

**2. 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 Executives of NXTDIGITAL from time to time.

**3. Remuneration for Non-Executive Directors**

Non-Executive Directors (“NED”) are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them and an annual commission on the profits of the Company. Commission to respective NED is determined on the basis of objective criteria discussed and agreed upon by the Committee Members unanimously. NED’s are reimbursed any out of pocket expenses incurred by them for the purpose of the Company.

**4. Remuneration for Executive Directors, Key Managerial Personnel (KMP) and Senior Executives**

The following elements are taken into consideration for determining the Remuneration of Executive Directors, KMP and Senior Executives:

- The remuneration policy reflects a balance between the interests of NXTDIGITAL’s main stakeholders as well as a balance between the Company’s short-term and long-term strategy. As a result, the structure of the remuneration package for the Directors, KMP and Senior Executives is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders. NXTDIGITAL strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment.
- To ensure that highly skilled and qualified KMP/Senior Executives can be attracted and retained, NXTDIGITAL aims for a total remuneration level that is comparable to levels

provided by other Companies that are similar to NXTDIGITAL in terms of size and complexity.

- In designing and setting the levels of remuneration for the Directors, KMP and Senior Executives, the Committee also takes into account the relevant statutory provisions and provisions of the corporate governance regulations, societal and market trends and the interests of stakeholders.
- NXTDIGITAL's policy is to offer the Directors, KMP and Senior Executives a total compensation comparable to the peer group.

### **Total Compensation (TC)**

The total compensation of the Managing Director and Senior Executives consists of the following components:

1. Base salary
2. Variable income –
  - Annual Performance Pay (APP)
  - Performance-related Long-Term Incentive Plan (LTIP)

### **Base salary**

On joining the Company, the Managing Director, KMP and Senior Executives receive a base salary comparable to the peer group. Every year, base salary levels are reviewed by the Committee.

### **Variable income**

The variable income part of remuneration consists of APP and LTIP. The distribution between APP and LTIP for (on target) performance aims to achieve a proper balance between short-term result and long-term value creation. The parameters relating to the various elements of the variable income part of the remuneration are established and where necessary adjusted by and at the discretion of the Committee, taking into account the general rules and principles of the remuneration policy itself.

The targets are determined each year by the Committee in consultation with the respective Director/KMP / Executive, based on historical performance, the operational and strategic outlook of the Company in the short term and expectations of the Company's management and stakeholders, among other things. The targets contribute to the realization of the objective of long-term value creation.

It is one of the long term objectives to reach the proportion of variable compensation upto 50% of the total compensation.

**5. Remuneration for other Employees.**

Remuneration of middle and lower level employees of the Company consists entirely of fixed pay which is reviewed on an annual basis. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company also.

**6. Remuneration for Workmen.**

Remuneration of workmen employed in the factories of the Company consists of fixed pay and performance incentives, which is negotiated and agreed upon on periodical basis. Increase in the remuneration of workmen is effected based on a review of performance of the Company and increase in the general price levels / cost of living index, etc.

**6. Employee Stock Options**

It is a long term objective of the Company to introduce employee stock options to inculcate a sense of ownership among the employees of the Company.

**7. Alignment of Remunerations**

The Committee strives to achieve that the remunerations of the Directors, Senior Executives, Middle and lower level employees of NXTDIGITAL are aligned to each other.

**8. Term of Appointment**

The term of appointment of the Managing Director and other Executive Directors is generally for a period of 3 years and renewed for similar periods from time to time, whereas the term of the other employees, generally is upto the age of superannuation. However, the Company may also appoint consultants for shorter periods on need basis.

**9. Post Retirement Benefits**

All the executive directors and employees are entitled to retirement benefits such as provident fund, superannuation fund and gratuity.

**10. Severance Arrangements**

Contracts of employment with executive directors and regular employees provide for compensation of upto 3 months pay or advance notice of similar period.

**11. Loans**

There is no system of granting of loans to Directors, KMP and employees of the Company.