

Meganet Technologies Global Limited
(formerly known as Mega Networks Private Limited)

Nomination and Remuneration Policy

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

2. Applicability:

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

3. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 and Part D of Schedule II of SEBI Listing Regulations. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the committee would be:

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- II. Formulation of criteria for evaluation of performance of Independent Directors and the Board;

- III. Devising a policy on Board diversity;
- IV. Identify persons who are qualified to become directors, KMP and who may be appointed in senior management in accordance with the criteria laid down in the Companies Act, 2013 and the Policy, and recommend to the Board their appointment and removal;
- V. To carry out evaluation of the performance of every Directors (including independent directors);
- VI. To ensure that 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.
- VII. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- VIII. 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.
- IX. To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.
- X. To determine remuneration of Directors and KMPs and persons in senior management positions, based on factors including the Company's size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry;
- XI. For every appointment of an independent director, the NRC 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 by the Board for an appointment as an independent director shall have capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC may:
 - a. use the services of external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.

- XII. To ascertain whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of Independent Directors;
- XIII. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- XIV. 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 Listing Regulations, whenever applicable.
- XV. To devise a policy on diversity of the Board.
- XVI. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
- a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

4. Definitions

- 4.1 'Act' means the Companies Act, 2013 and rules relating thereto.
- 4.2 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- 4.3 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- 4.4 'Company' means Meganet Technologies Global Limited [formerly known as Mega Networks Private Limited]
- 4.5 'Directors' means a director appointed to the Board of a Company.
- 4.6 'Employee' means all the present and future employees, consultants and directors in the employment of the Company.
- 4.7 '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.

4.8 'Key Managerial Personnel' (KMP) means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act as under:

- a. Chief Executive Officer or the Managing Director or the Manager;
- b. Company Secretary;
- c. Whole-time Director;
- d. Chief Financial Officer;
- e. Such other officer, not more than one level below the Directors who is in whole time employment, designated as KMP by the Board; and
- f. such other officer as may be prescribed.

4.9 "NRC" means the Nomination and Remuneration Committee constituted by the Board from time to time.

4.10 "Non-Independent directors" means a non-independent director as defined under the Depository Regulations.

4.11 "Senior Management" means the officers and personnel of the Company who are members of its core management team excluding the Board of Directors, and comprising all the members of management one level below Chief Executive Officer/ Managing Director/ Whole time Director/ 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 Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. CONSTITUTION OF COMMITTEE

5.1 The Board of Directors of the Company (the Board) constituted the committee known as "Nomination and Remuneration Committee" consisting of three or more non-executive directors out of which not less than two thirds are independent directors.

- 5.2 At present, the Nomination and Remuneration Committee comprises of following Directors:
1. Mr. Sanjeev Keskar
 2. Mr. Veeraswamy Subramaniam Sairam
 3. Mrs. Esha Padmanabhan Achan
- 5.3 The Chairman of the Committee shall be an Independent Director.
- 5.4 The chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- 5.5 In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- 5.6 The Chairperson of the Committee or in his absence, any other member of the committee authorised by him in this behalf shall attend the General Meetings of the Company to answer the shareholders' queries.
- 5.7 The Company Secretary shall act as the secretary for Committee meetings.
- 5.8 Minutes: Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.
- 5.9 Quorum: The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director and the participation of the members by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.
- 5.10 The Committee shall meet at least once a year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being.
- 5.11 Chairperson of the NRC meeting may be present at the Annual General Meeting of the Company or may nominate some other member to answer the shareholders queries.

5.12 The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

5.13 Terms of reference of the Committee shall be continued unless terminated by the Board.

6. CRITERIA FOR APPOINTMENT OF DIRECTOR AND SENIOR MANAGEMENT

The Committee shall consider the following factors for identifying the person who are qualified to becoming Director and who can be appointed in senior management:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or 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 are sufficient / satisfactory for the concerned position.
3. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
4. The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion indicating the justification for appointing such person.
5. The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force including SEBI Regulations and RBI Regulations, although not explicitly applicable to the Company.
6. The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under listing regulations or any other enactment for the time being in force.

7. Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 25 of the listing regulations.
8. The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

6A. Disqualifications for Appointment of Directors

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a Company if:

- a) He is of unsound mind and stands so declared by a competent court;
- b) He is an undischarged insolvent;
- c) He has applied to be adjudicated as an insolvent and his application is pending;
- d) He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any Company;

- e) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- f) He has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- g) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- h) He has not complied with Section 152(3) i.e. he has not been allotted the Director Identification Number under Section 154 of the Act.
- i) He has not complied with Section 165 (1) i.e. he shall not be a Director in more than 20 Companies out of which 10 Companies can be public Companies.

Provided that the disqualifications referred to in clauses (d), (e) and (g) of sub-section (1) shall continue to apply even if the appeal or petition has been filed against the order of conviction or disqualification.

No person who is or has been a Director of a Company which:

- Has not filed financial statements or annual returns for any continuous period of three financial years; or

- Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be reappointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so

Provided that where a person is appointed as a Director of a Company which is in default of above mentioned clauses, he shall not incur the disqualification for a period of 6 months from the date of his appointment.

6B. Term/Tenure

1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive 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.

2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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.

6C. 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 or any other reasonable ground, the Committee may recommend to the Board for removal of a Director or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

6D. Retirement

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

6E. Succession plans

Establishing and reviewing succession plans of the Board, KMP and Senior Management in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

7. CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS

Criteria for determining positive attributes :

The Committee shall consider the following factor for determining positive attributes of directors (including independent directors):

- 7.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
 - 7.2 Actively update their knowledge and skills with the latest developments in the Jewellery industry, market conditions and applicable legal provisions.
 - 7.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
 - 7.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
 - 7.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
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- 7.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

Criteria for determining Independence:

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and in Regulations 16(b) and 25 of Listing Regulations.

8. APPOINTMENT OF KMP/SENIOR MANAGEMENT

1. To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
2. To practice and encourage professionalism and transparent working environment; and
3. To adhere strictly to code of conduct.

9. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board is required to carry out annual evaluation of board, its committees and individual directors:

- i. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- ii. Identify ongoing training and education programs for the Board to ensure that non-executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

The provisions relating to the performance evaluation of the Directors and the Board are as follows:

1. Nomination and Remuneration Committee to carry out evaluation of every Directors' Performance - Sec 178(2) of the Act.
2. Independent Directors to bring objective view in evaluation of performance of Board and Management - Schedule IV(II) of the Act.
3. Performance evaluation of Independent Directors shall be done by entire Board of Directors excluding the Director being evaluated - Schedule IV of the Act and Regulation 17(10) of Listing Regulations.
4. Disclosure in Board Report a statement indicating the manner in which formal annual evaluation of the performance has been made of Board, its Committees and of individual Directors - Section 134(3)(p) of the Act.

10. CRITERIA FOR EVALUATION OF THE BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board is required to carry out annual evaluation of Board, its committees and individual Directors.

For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairman of the Board, the Company shall formulate either through itself or through an external consultant prepare the tool for evaluation of the performance. On the basis of the response, a formal annual evaluation shall be made by the Nomination and Remuneration Committee of the performance evaluation of the Board and that of its Committees and individual Directors.

11. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

At the appointment or re-appointment of Managing Director, Whole-time Director and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them. The remuneration to be paid to the Managing Director, Whole-time Director, KMPs and Senior Management Personnel shall be in accordance with Section 197 of the Act. The remuneration to be paid to the Senior Management Personnel shall be approved by the Board.

The annual increment of remuneration for Managing Director/Whole-time Directors shall be made on the basis of the resolution approved by the shareholders.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Committee is responsible for reviewing and making recommendations to the Board on:

- a) Remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any;
- b) Individual and total remuneration of non-executive Directors and the chairperson (if nonexecutive), including any additional fees payable for membership of Board committees; and
- c) The remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay, if any, and service contracts having regard to the need to:
 - i. attract and motivate talent to pursue the Company's long term growth;
 - ii. demonstrate a clear relationship between executive compensation and performance;
 - iii. be reasonable and fair, having regard to best governance practices and legal requirements; and
 - iv. balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals.

11.1 General

- 11.1.1 Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and other Executive Directors. The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 11.1.2 Directors' and officers' Insurance: Where any insurance is taken by the Company on behalf of its 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.

11.2 Remuneration to Whole-time / Executive / Managing Director

The remuneration to be paid to the MD/WTD at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the

shareholders of the Company. Annual increment /subsequent variation in remuneration to the MD/WTD shall be approved by the NRC/Board of Directors, within the overall limits approved by the shareholders of the Company.

11.2.1 Fixed pay:

The Whole-time Director/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors.

11.2.2 Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of the Companies Act, 2013.

11.2.3 Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval required under the Act, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by Special Resolution within two years from the date the sum becomes refundable.

11.3 Remuneration to Non- Executive / Independent Director:

11.3.1 Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed INR One lakh per meeting of the Board or Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further, the boarding and lodging expenses shall be reimbursed to the Directors

11.3.2 Commission:

The profit-linked Commission shall be paid to each Independent Director which shall be within the monetary limit approved by the Board/ Shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

11.3.3 Stock Options:

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

The NEDs shall be eligible for remuneration of professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

11.4 Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

12. DIVERSITY OF THE BOARD

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge, core skills, competencies, and perspective in the Board. Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

13. MISCELLANEOUS

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulations, as amended from time to time. In the event of any conflict between the provisions of this Policy and of the Act

or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

14. REVIEW AND AMENDMENT

14.1 The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.

14.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

15. DISCLOSURE OF THE POLICY

The Policy will be uploaded on the website of the Company.

16. ADOPTED ON

This Policy was adopted by the Board of Directors of the Company in its meeting held on December 20, 2024.
