

NDL Ventures Limited* **(Formerly known as NXTDIGITAL Limited)**

REMUNERATION POLICY

1. Objective

The objective of the remuneration policy of NDL Ventures Limited (hereinafter referred to as “**NDL**” or “the **Company**”) (Formerly known as NXTDIGITAL 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 the Company’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, KMPs and Senior Executives of the Company from time to time. While discharging the function of the Committee, following shall *inter-alia* be included:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(1A) 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 on the basis of 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 shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversify and
- c. consider the time commitments of the candidates.

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

The Committee shall, while formulating the policy and making the necessary amendments therein, ensure that:

- a) the level and composition of the remuneration is reasonable and sufficient to attract to retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship of remuneration to the 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.

The Board of Directors have constituted the Committee on February 13, 2010 in accordance with the provisions of the Companies Act, 2013.

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, KMPs and Senior Executives:

- The remuneration policy reflects a balance between the interests of the Company'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, KMPs 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. The Company 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 KMPs/Senior Executives can be attracted and retained, the Company aims for a total remuneration level that is comparable to levels provided by other Companies that are similar to the Company in terms of size and complexity.
- In designing and setting the levels of remuneration for the Directors, KMPs 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.
- The Company's policy is to offer the Directors, KMPs 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, KMPs 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/KMPs / 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 as well.

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 the Company 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, KMPs and employees of the Company.

This policy was reviewed and approved by the Board on November 11, 2021.

**The name of the Company was changed from NXTDIGITAL Limited to NDL Ventures Limited on April 20, 2023, and the Board, at its meeting held on April 28, 2023, approved to effect the name change of the Company in the policies.*
