

Remuneration Policy for Board Members, Key Managerial Personnel and Other Employees

The Nomination and Remuneration Committee of the Board of Directors of LEE & NEE SOFTWARE EXPORTS LTD herein below recommends to the Boards of Directors for its adoption the Nomination and Remuneration and Policy for the directors, Key Managerial Personnel and other employees of the company as set out below.

The objective of the Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its level and composition of remuneration, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a composition mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

1) Remuneration to Executive Directors:

a) The Remuneration to be paid to Executive Directors shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder. The same shall be determined by the Committee and recommended to Board for approval.

b) Remuneration structure of the Executive Directors shall include fixed pay & allowances, if any.

c) The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by the Shareholders.

d) The Executives will be entitled to customary non-monetary benefits such as company cars, phone and such other fixed entitled benefits;

e) A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;

f) Minimum remuneration: If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration for attending the Board as well as the Committee meetings, as permissible under the provisions of Companies Act, 2013 and Rules made thereunder as amended from time to time.

b) The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

c) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

d) An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law.

3) Remuneration to Key Managerial Personnel (KMP) and Senior Management Personnel:

a) **“Key Managerial Personnel”** means key managerial personnel as defined under Section 2(55) of the Companies Act, 2013 and amendments made from time to time. It includes the following personnel in the Company;

- i) The Chief Executive Officer or the Managing Director or the Manager;
- ii) The Company Secretary and
- iii) The Chief Financial Officer
- iv) The whole-time director

“Senior Management” means personnel of the Company who are members of its management team excluding the Board of Directors.

b) The remuneration to Key Managerial Personnel and Senior Management Personnel shall consist of fixed pay, incentive pay and reimbursement of expenses that are incurred by them in the performance of duties. The same shall be reviewed/decided on an annual basis or earlier if deemed necessary, by the Nomination and Remuneration Committee as per provisions of the Companies Act, 2013 in conjunction with the Company’s rules and policies.

c) The Fixed pay shall include monthly remuneration, employer’s contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

POLICY REVIEW

This policy is purely at the discretion of the Nomination and Remuneration Committee and it reserves its right to recommend modifications in this Policy to the Board as per applicable laws and regulations, at any time without assigning any reason whatsoever.