



BLU COCOON DIGITAL LIMITED Nomination and Remuneration Policy

1. Introduction

This **Nomination and Remuneration Policy** ("the Policy") of Blu Cocoon Digital Limited ("the Company") has been formulated in accordance with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). The Policy provides a framework for the nomination, evaluation, and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management, and other employees of the Company.

2. Objective

The primary objectives of this policy are to:

- Ensure that the Board is composed of individuals with diverse skills, experience, and expertise to meet the strategic goals of the Company.
- Establish a framework for the evaluation of Directors, KMP, and Senior Management.
- Set the principles for determining remuneration of Directors, KMP, Senior Management, and employees, ensuring fairness, transparency, and a performance-driven culture.
- Align the remuneration structure with the long-term interests of the Company and its stakeholders.

3. Definitions

- **Board:** The Board of Directors of the Company.
- **Committee:** The Nomination and Remuneration Committee of the Board.
- **Directors:** Members of the Board of Directors.
- **Key Managerial Personnel (KMP):** As defined under the Companies Act, 2013, including the Managing Director (MD), Chief Financial Officer (CFO), Company Secretary (CS), and such other officers as prescribed.
- **Senior Management:** Officers/personnel of the Company who are members of its core management team excluding Board members but including all functional heads.
- **Remuneration:** Any monetary and non-monetary benefits provided to employees in consideration of their services.

4. Constitution of the Nomination and Remuneration Committee

The Board of Directors shall constitute the Nomination and Remuneration Committee in compliance with the requirements of the Companies Act, 2013 and SEBI LODR Regulations. The Committee shall consist of at least three (3) Non-Executive Directors, with a majority being Independent Directors.

The Chairperson of the Committee shall be an Independent Director.

5. Role of the Committee

The role of the Nomination and Remuneration Committee includes the following:

- **Nomination**
 - Identify individuals qualified to become Directors and recommend their appointment to the Board.
 - Ensure that the Board is composed of individuals with a mix of expertise, skills, and diversity.
 - Recommend the appointment and removal of KMP and Senior Management.
 - Establish criteria for evaluating the performance of the Board, Directors, and

BLU COCOON DIGITAL LIMITED



BLU COCOON DIGITAL LIMITED

Nomination and Remuneration Policy

Senior Management.

- Recommend the continuation, extension, or termination of the term of appointment of Directors based on their performance evaluation.
- **Remuneration**
 - Formulate policies for determining the remuneration of Directors, KMP, and Senior Management.
 - Ensure that the remuneration is fair, reasonable, and aligned with the Company's objectives.
 - Recommend the structure of remuneration, including fixed pay, variable pay, bonuses, stock options, pensions, and other benefits.
 - Periodically review and recommend any revisions to the remuneration structure based on market trends, industry standards, and individual performance.

6. Policy for Appointment and Removal of Directors, KMP, and Senior Management

- **Criteria for Appointment**
 - The Committee shall consider a candidate's integrity, qualifications, expertise, skills, industry experience, and ability to add value to the Company's business before recommending them for appointment.
 - In case of an Independent Director, the Committee shall ensure that the candidate meets the independence criteria as prescribed under the Companies Act, 2013 and SEBI LODR Regulations.
 - The Committee shall also ensure diversity in the composition of the Board in terms of experience, background, and gender.
- **Term and Tenure**
 - The Company shall comply with the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations in relation to the appointment, re-appointment, and maximum tenure of Directors.
 - Independent Directors shall be appointed for a term not exceeding five (5) years and shall be eligible for re-appointment for another term, subject to performance evaluation and regulatory requirements.
- **Evaluation**
 - The Committee shall establish criteria for evaluating the performance of individual Directors, the Board as a whole, and its Committees.
 - The performance of Directors, including Independent Directors, shall be evaluated based on their contributions to the Board's discussions and decisions, attendance at meetings, and overall engagement with the Company's strategy and operations.
- **Removal**
 - The Committee may recommend the removal of a Director, KMP, or Senior Management if they fail to meet the Company's performance standards or are found to have violated the Company's policies or legal requirements.

7. Policy on Remuneration

- **Remuneration of Non-Executive Directors and Independent Directors**
 - Non-Executive and Independent Directors shall receive remuneration by way of sitting fees for attending Board and Committee meetings, as determined by the Board and within the limits prescribed by the Companies Act, 2013.

BLU COCOON DIGITAL LIMITED

Document No. BCDL/EP.03

Version 1 issued on 25-09-2024

Approved by The Board of Directors, Blu Cocoon Digital Limited

Public



BLU COCOON DIGITAL LIMITED Nomination and Remuneration Policy

- The Company may also pay commission to Independent Directors, subject to approval by shareholders.
- Reimbursement of expenses incurred by Directors in connection with attending meetings or carrying out Company business shall be allowed.
- **Remuneration of Executive Directors, KMP, and Senior Management**
 - **Fixed Pay:** Remuneration shall consist of a fixed salary that reflects the individual's responsibilities, experience, and performance.
 - **Variable Pay:** Performance-linked incentives and bonuses may be provided based on predefined financial and non-financial metrics aligned with the Company's objectives.
 - **Stock Options:** The Company may offer stock options to Executive Directors, KMP, and Senior Management to align their interests with shareholders.
 - **Other Benefits:** The Company may offer additional benefits such as pensions, retirement benefits, and other perquisites, as deemed appropriate.
- **Remuneration Structure**
 - Remuneration shall be structured in a manner that balances short-term performance with the long-term sustainability of the Company.
 - The Committee shall consider market trends, industry benchmarks, and the financial position of the Company when recommending remuneration packages.

8. Remuneration to Other Employees

- The Committee shall ensure that the remuneration policy for employees below Senior Management level is aligned with the overall remuneration framework of the Company.
- Performance-based incentives, bonuses, and benefits may be provided to employees to encourage high performance and retention.

9. Disclosure

- The Company shall disclose the criteria for determining the remuneration of its Directors, KMP, and Senior Management in its Annual Report, as required by the Companies Act, 2013 and SEBI LODR Regulations.
- The Company shall also disclose the evaluation mechanism of the Board and its Committees.

10. Amendments

This Policy may be amended, modified, or supplemented by the Board of Directors as and when necessary. Any amendment to this Policy shall be approved by the Board based on recommendations from the Nomination and Remuneration Committee.

11. Review of the Policy

The Committee shall periodically review the Policy to ensure its continued relevance and alignment with the evolving business environment, industry practices, and applicable laws.

BLU COCOON DIGITAL LIMITED

Document No. BCDL/EP.03

Version 1 issued on 25-09-2024

Approved by The Board of Directors, Blu Cocoon Digital Limited

Public