

Charter – Governance and Compensation Committee

Role

The primary function of the Governance and Compensation Committee of the Board of Directors is to assist the Board in exercising the responsibilities and duties set forth in the para “Powers and Authorities” below, including but not limited to determining and making recommendations with respect to all forms of compensation to be granted to Directors, executive officers and employees of the Company.

Further, the primary function of the Committee is to assist the Board of Directors in fulfilling its responsibilities by:

- Reviewing and making recommendations to the Board regarding the Board's composition and structure, establishing criteria for Board membership and evaluating corporate policies relating to the recruitment of Board members; and
- Establishing, implementing and monitoring policies and processes regarding principles of corporate governance in order to ensure the Board's compliance with its fiduciary duties to the Company and its shareholders.

Membership

The Governance and Compensation Committee shall consist of three or more Directors all of whom in the judgment of the Board of Directors shall be independent.

The Head HR function shall act as Secretary of this Committee.

Operations

The Chairman of the Committee shall call the Committee meeting as and when required. One meeting shall be called before the Board meeting in which the annual financials of the Company would be approved to recommend the variable pay to the Executive Directors.

The minutes of the meetings will be prepared.

The quorum of the meetings shall be one third of the total strength or two Directors whichever is more.

Reporting

The Governance and Compensation Committee shall report to the Board.

Powers and authorities

The Governance and Compensation Committee may:

- Review the Key Result Areas for Executive Directors and Management Council members;
- Review the performance of Executive Directors and Management Council members;
- Review and recommend the compensation and variable pay for Executive Directors and Management Council members in consultation with CEO;
- Review the remuneration package offered by the Company to different grades of its employees;
- Grant Options to eligible employees of the Company in consultation with CEO and HR head;

- Allotment of shares and/or ADRs as and when any optionee exercises its option;
- Complete the listing formalities in respect of shares/ADRs allotted under the scheme;
- Recommend variation in the terms and conditions of ESOS, not detrimental to the interest of the employees;
- Produce an annual report on executive compensation for inclusion in the Company's annual report, in accordance with applicable rules and regulations;
- Take all necessary steps for the administration of the ESOS;
- Evaluate its performance annually.
- Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and make recommendations regarding the foregoing to the Board for approval;
- Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new Members of the Board;
- Review all stockholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal;
- Review principles of corporate governance of the Company including the ethical handling of conflicts of interest; full, fair, accurate, timely and understandable disclosure in the Company's periodic reports; and compliance with applicable governmental rules and regulations;
- Resolve actual and potential conflicts of interest a Board member may have and issue to any Board member having an actual or potential conflict of interest instructions on how to conduct him or herself in matters before the Board, which may pertain to the conflict;
- Evaluate its performance annually.

Report

The Governance and Compensation Committee shall prepare a report each year for inclusion in the Company's annual report.