



DEN Networks Limited

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

(Effective from 01st April, 2019)



1. Introduction:

- 1.1 DEN Networks Limited (DEN) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, DEN ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 DEN recognizes the importance of Independent Directors in achieving the effectiveness of the Board. DEN aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of a company.
- 3.2 **“Nomination and Remuneration Committee (NRC)”**, means the committee constituted by DEN's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time.
- 3.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Act, and Regulation 16(1)(b) of Listing Regulations.

4. Policy:

4.1 Qualifications and Criteria

- 4.1.1 The NRC and the Board, shall review on an annual basis, appropriate skills, expertise, competences, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.



4.1.2 In evaluating the suitability of individual Board members, the NRC may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background;
- Skills, expertise and competences
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number or any other identification number prescribed by the Central Government which shall be treated as Director Identification Number for the purposes of the Act;
- Shall not be disqualified under the Act, or pursuant to any order of Securities and Exchange Board of India or any other such authority;
- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the Board in every financial year and whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Act, Listing Regulations and other relevant laws.

4.1.4 The NRC shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NRC Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, shall be, as laid down in Act, Listing Regulations and other relevant laws, if any, as amended from time to time.

4.2.3 The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Act.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time, expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director / Independent Director in such number of companies as may be prescribed under Act, Listing Regulations and other relevant laws, if any.

4.3.3 A Director shall not be a member or act as Chairman of such number of companies as may be prescribed under the Act, Listing Regulations and other relevant laws, if any.



DEN Networks Limited

Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees

(Effective from 01st April, 2019)



1. Introduction:

This Remuneration Policy (Policy) of DEN Networks Limited (“DEN”) has been formulated for its directors, key managerial personnel and other employees keeping in view the following objectives:

- 1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.3 Ensuring that remuneration 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.
- 1.4 The Policy is in compliance with Section 178(3) and Section 178(4) of the Companies Act, 2013 (the “Act”) and Regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

2. Scope of policy:

The Policy applies to all directors, key managerial personnel, senior management and other employees.

3. Terms and References

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of the Company.
- 3.2 **Key Managerial Personnel** (the “KMP”) means (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013.
- 3.3 **Nomination and Remuneration Committee, by whatever name called**, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.
- 3.4 **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- 3.5 **Senior Management** means officers of the Company who are members of the core management team excluding Board of Directors. This would include all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and include company secretary and chief financial officer.

The words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations or the Accounting Standards shall have the meanings assigned to them.



4. Remuneration to Executive Directors, KMPs and Senior Management:

The Board, on the recommendation of the Nomination and Remuneration Committee (“NRC”), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders in terms of Act and Listing Regulations.

The Board, on the recommendation of the NRC Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel and Senior Management of the Company.

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company’s prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

5. Remuneration to Non-Executive Directors:

The Board, on the recommendation of the NRC Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the company within the overall limits approved by the shareholders in terms of the Act and Listing Regulations. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the committees thereof.

6. Remuneration to other Employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization, Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Remuneration is annually reviewed for the Key Managerial Personnel and other employees who are eligible for compensation review keeping in view the remuneration objectives.



POLICY ON BOARD DIVERSITY

1. Purpose of this Policy:

This Policy on Board Diversity (the “Policy”) sets out the Company’s approach to ensuring adequate diversity in its Board of Directors (the “Board”) and is devised in consultation with the Nomination and Remuneration Committee (the “Committee”) of the Board.

2. Scope of Application:

The Policy applies to the Board of DEN Networks Limited (the “Company”).

3. Policy Statement:

The Company recognises and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognised that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

4. Review of the Policy:

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Framework for performance evaluation of Independent Directors and the Board

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Nomination and Remuneration Committee (the “Committee”) shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Listing Regulations, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board’s self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the KMPs, to organise the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 - 2.1 Knowledge to perform the role;
 - 2.2 Time and level of participation;
 - 2.3 Performance of duties and level of oversight; and
 - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Directors’ Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.
