

SHADOWFAX TECHNOLOGIES LIMITED

REMUNERATION POLICY OF DIRECTORS, KMP/SMP AND OTHER EMPLOYEES

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Preamble

The Policy for Remuneration of Directors, Key Managerial Personnel (“**KMP**”), Senior Management Personnel (“**SMP**”) and all other employees (“**Remuneration Policy**”) of Shadowfax Technologies Limited (“**Company**”) is based on the commitment demonstrated by the Directors, KMP, SMP and other employees towards the Company and truly fostering a culture of leadership with trust.

This Remuneration Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“**Companies Act**”) and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of the above stated law shall prevail, and the Company shall abide by the applicable law. While formulating this Remuneration Policy, the Nomination and Remuneration Committee (“**NRC**”) has considered the factors laid down under Section 178(4) of the Companies Act, which are as under:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP, SMP and other employees and quality required to run the Company successfully.
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP, SMP and other employees 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.

This Remuneration Policy is effective from the date on which the shares of the Company will be listed on the stock exchanges.

Objective

The NRC and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee would be:

- a. To recommend to the Board appointment and removal of Directors, KMP and SMP in accordance with criteria laid down.
- b. To recommend to the Board a policy including following:
 - i. Determining qualifications, positive attributes and independence of a director;
 - ii. Remuneration for the Directors, KMP and SMP;
 - iii. Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - iv. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- v. Performance evaluation of Independent Directors and the Board;
- vi. Board diversity.

Remuneration for Directors/ KMP/ SMP and rest of the employees

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role.

Hence remuneration should be:

- a) Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent);
- b) Based on the role played by the individual;
- c) Reflective of size of the Company, complexity of the sector/ industry/company's operations;
- d) Consistent with recognised best practices;
- e) Aligned to any regulatory requirements

The remuneration paid to the Directors shall be within the limits approved by the shareholders. For executive directors, the elements of the total compensation, approved by the NRC will be within the overall limits specified under the Act. The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

The Company's total remuneration for KMP as defined under the Act / other employees will consist of: • fixed compensation in line with the skills, experience and performance; • variable compensation, including performance based incentive; • benefits including retirement, insurance, and medical coverage; and • work-related facilities and perquisites in line with policies issued from time to time.

In addition, select senior executives including the executive directors (including managing director) but excluding promoter director, will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by the NRC.

In addition to the basic/ fixed salary, benefits, perquisites, and allowances as provided above, the Company may provide executive directors such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the executive directors would be based on performance as evaluated by the Board or the NRC and approved by the Board.

In case of inadequacy of profit in any financial year, the remuneration payable to the executive director shall be further subject to the relevant provisions of the Act.

The NRC will determine the annual variable pay compensation for the executive director subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time such as Company's and individual's performance against the pre-agreed objectives for the year.

A formal annual performance management process will be applicable to all employees, including senior executives. Performance linked bonus /incentive and annual increases in fixed and variable compensation of individual executives will be linked to the performance assessment of individual employee and the Company's performance.

Remuneration Policy implementation

The NRC is responsible for recommending the Remuneration Policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration Policy.

Review of the Remuneration Policy

This Remuneration Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Remuneration Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

Disclosures

The Remuneration Policy should be published on the website of the Company. Further, the salient features of the policy along with the web address should be disclosed in the Board's report.