SAHAJ DIGITAL LIMITED

(Formerly known as Jolly Plastic Industries Limited)

NOMINATION AND REMUNERATION POLICY

I. BACKGROUND

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 (the "Listing Regulations") require the Board of Directors of every listed entity to constitute a Nomination and Remuneration Committee and to formulate a policy relating to the remuneration of directors, key managerial personnel and other employees.

This Nomination and Remuneration Policy of Sahaj Digital Limited (the "Company") has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors, in compliance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations. Any amendment to the Act or the Listing Regulations shall apply to this Policy automatically, and in the event of any inconsistency the provisions of the applicable law shall prevail.

II. OBJECTIVE OF THE POLICY

The objective of this Policy is to ensure that:

a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. remuneration to directors, key managerial personnel and senior management 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.

III. DEFINITIONS

a. "Board" means the Board of Directors of the Company.

b. "Committee" or "NRC" means the Nomination and Remuneration Committee constituted in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

c. "Executive Director" or "Whole-Time Director" means a director in the whole-time employment of the Company.

d. "Independent Director" means a director who satisfies the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

e. "Key Managerial Personnel" or "KMP" means key managerial personnel as defined in Section 2(51) of the Act, namely the Chief Executive Officer or Managing Director or Manager; the Company Secretary; the Whole-Time Director; the Chief Financial Officer; such other officer, not more than one level below the directors, who is in whole-time employment and is designated as key managerial personnel by the Board; and such other officer as may be prescribed.

f. "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.

g. "Senior Management" shall have the meaning assigned to it in Regulation 16(1)(d) of the Listing Regulations, and accordingly means the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including the Chief Executive Officer and Manager, in case they are not part of the Board of Directors), and shall specifically include the functional heads, by whatever name called, and the Company Secretary and the Chief Financial Officer.

Terms not defined in this Policy shall have the meanings assigned to them in the Act, the Listing Regulations and any other regulations of the Securities and Exchange Board of India ("SEBI"), as amended from time to time.

IV. CONSTITUTION OF THE COMMITTEE

a. The Committee shall comprise at least three directors, all of whom shall be non-executive directors, and at least two-thirds of the Committee shall be independent directors.

b. The Chairperson of the Committee shall be an independent director.

c. The Chairperson of the Company, whether executive or non-executive, may be appointed as a member of the Committee but shall not chair the Committee.

d. The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one independent director in attendance.

e. The Committee shall meet at least once in a financial year, and otherwise as and when required. The Committee may invite such executives as it considers appropriate to be present at its meetings.

f. The Chairperson of the Committee, or in his or her absence any other member of the Committee authorised by the Chairperson, shall attend the general meetings of the Company.

g. The Board shall reconstitute the Committee as and when required to comply with the Act and the Listing Regulations.

V. ROLE OF THE COMMITTEE

The role of the Committee shall, inter alia, include the following:

a. to formulate the criteria for determining qualifications, positive attributes and independence of a director, and to recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

b. for every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and, on the basis of such evaluation, to prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may use the services of external agencies if required, consider candidates from a wide range of backgrounds having due regard to diversity, and consider the time commitments of the candidates;

c. to formulate the criteria for evaluation of the performance of the independent directors and of the Board;

d. to devise a policy on diversity of the Board;

e. to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and to recommend to the Board their appointment and removal;

f. to decide whether to extend or continue the term of appointment of an independent director, on the basis of the report of performance evaluation of independent directors;

g. to recommend to the Board all remuneration, in whatever form, payable to senior management;

h. to carry out the evaluation of the performance of every director; and

i. to carry out any other function mandated by the Board from time to time, or required under any statutory notification, amendment or modification as may be applicable.

VI. APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications

The composition and strength of the Board is subject to the Act, the Listing Regulations and the Articles of Association of the Company. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of a person proposed for appointment as a director, KMP or at senior management level, and shall recommend the appointment to the Board. A director is expected to possess appropriate skills, experience and knowledge in one or more fields such as finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the business of the Company, and to have a proven record of professional success, leadership and the highest standards of personal and professional ethics, integrity and values.

A director shall be a person of integrity who shall uphold ethical standards of integrity and probity, act objectively and constructively, exercise his or her responsibilities in a bona fide manner in the interest of the Company, devote sufficient time and attention to his or her professional obligations for informed and balanced decision making, and assist the Company in implementing the best corporate governance practices.

The Company shall not appoint or continue the employment of any person as Managing Director, Whole-Time Director or Manager who has attained the age of seventy years, unless the appointment is approved by the shareholders by a special resolution supported by an explanatory statement indicating the justification for the appointment beyond that age.

In terms of Regulation 17(1A) of the Listing Regulations, no person shall be appointed or continue as a non-executive director of the Company on attaining the age of seventy-five years unless a special resolution is passed to that effect, the explanatory statement annexed to the notice setting out the justification for such appointment.

Every independent director shall apply for inclusion of his or her name in the data bank maintained by the Indian Institute of Corporate Affairs and shall pass the online proficiency self-assessment test within the time and in the manner prescribed under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, unless exempt thereunder.

Term and tenure

a. **Managing Director, Whole-Time Director or Manager.** The Company shall appoint or re-appoint any person as its managerial person for a term not exceeding five years at a time, and no re-appointment shall be made earlier than one year before the expiry of the term.

b. **Independent Director.** An independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one further term of up to five consecutive years. No independent director shall hold office for more than two consecutive terms, but shall be eligible for appointment after the expiry of three years from ceasing to be an independent director, provided that during such period of three years he or she is not appointed in or associated with the Company in any other capacity, whether directly or indirectly. The appointment, re-appointment or removal of an independent director shall be subject to the approval of the shareholders by a special resolution in terms of Regulation 25(2A) of the Listing Regulations.

c. **Directorship limits.** At the time of appointment of an independent director, it shall be ensured that the person does not serve as a director in more than seven listed entities, and that a person serving as a whole-time director or managing director in any listed entity does not serve as an independent director in more than three listed entities. The limits on the number of directorships prescribed under Section 165 of the Act and the limits on committee memberships and chairmanships prescribed under Regulation 26 of the Listing Regulations shall also be complied with.

d. **Removal.** The Committee may recommend, with reasons recorded in writing, the removal of a director, KMP or senior management personnel, subject to the provisions of the Act, the Listing Regulations and the policies of the Company.

e. **Retirement.** A director, KMP or senior management personnel shall retire in accordance with the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain a director, KMP or senior management personnel in the same position or on the same remuneration, or otherwise, even after attaining the retirement age, for the benefit of the Company.

VII. EVALUATION OF PERFORMANCE

The Committee shall carry out the evaluation of the performance of every director, KMP and senior management personnel at regular intervals, and at least annually. The performance evaluation of the Board, its Committees and the individual directors shall be carried out in accordance with Section 178 of the Act, Schedule IV of the Act, Regulation 17(10) and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations. The performance evaluation of an independent director shall be carried out by the entire Board excluding the director being evaluated, and shall include an assessment of the fulfilment of the criteria of independence and of the director's independence from the management. On the basis of the report of such evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

The independent directors shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management, to review the performance of the non-independent directors and of the Board as a whole, to review the performance of the Chairperson of the Company, and to assess the quality, quantity and timeliness of the flow of information between the management and the Board.

VIII. REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT

1. Remuneration to the Managing Director and Whole-Time Directors

a. The remuneration and commission payable to the Managing Director and Whole-Time Directors shall be governed by Sections 196, 197 and 198 of the Act read with Schedule V thereto and the rules made thereunder, and shall be subject to such approvals of the shareholders as may be required.

b. The Committee shall make such recommendations to the Board as it considers appropriate with regard to such remuneration.

c. In terms of Regulation 17(6)(e) of the Listing Regulations, the approval of the shareholders by special resolution shall be obtained for the fees or compensation payable to an executive director who is a promoter or a member of the promoter group, where the annual remuneration payable to such director exceeds Rs. 5 crore or two and a half per cent. of the net profits of the Company, whichever is higher, or where there is more than one such director, where the aggregate annual remuneration to such directors exceeds five per cent. of the net profits.

2. Remuneration to Non-Executive and Independent Directors

a. The non-executive and independent directors may be paid sitting fees for attending meetings of the Board and its Committees, within the limits prescribed under Section 197(5) of the Act and the rules made thereunder, in such amount as may be recommended by the Committee and approved by the Board.

b. The non-executive and independent directors may be paid remuneration by way of a profit-related commission within the limits prescribed under Section 197 of the Act, and, in the case of absence or inadequacy of profits, within the limits prescribed under Schedule V of the Act, subject to such approvals of the shareholders as may be required.

c. In terms of Regulation 17(6)(ca) of the Listing Regulations, the approval of the shareholders by special resolution shall be obtained every year in which the annual remuneration payable to a single non-executive director exceeds fifty per cent. of the total annual remuneration payable to all non-executive directors.

d. An independent director shall not be entitled to any stock option in terms of Section 149(9) of the Act, and shall not be eligible to participate in any share-based payment scheme of the Company.

e. Any remuneration paid to a non-executive or independent director for services rendered which are of a professional nature shall not be reckoned for the purposes of paragraph (b) above if the services are rendered by such director in his or her professional capacity and, in the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management

a. The remuneration to KMP and senior management shall consist of fixed pay and incentive pay, in compliance with the Act and in accordance with the policies of the Company, and all remuneration payable to senior management shall be recommended by the Committee to the Board.

b. The incentive pay shall be decided having regard to the balance between the performance of the Company and the performance of the KMP or senior management personnel concerned, annually or at such intervals as may be considered appropriate.

c. The remuneration and annual pay of executive directors and employees shall be determined having regard to industry benchmarks and the relative performance of the Company.

IX. DISCLOSURE

This Policy shall be disclosed on the website of the Company in terms of Regulation 46(2) of the Listing Regulations. The salient features of this Policy, together with the web link thereto, shall be disclosed in the Board's Report in terms of Section 134(3)(e) of the Act, and the disclosures required under Regulation 34(3) read with Schedule V of the Listing Regulations shall be made in the Annual Report.

X. AMENDMENTS TO THE POLICY

The Board shall have the power to amend this Policy at any time, on the recommendation of the Committee where required.