



Cyient DLM Limited

Corporate Governance Policy

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlim.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



Policy Information:

Policy reference number	Policy Owner	Policy Approver	Creation date
CS/DLM/CG/V0	Company Secretary	Board of Directors	27 December 2022

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



Table of Contents

1	Introduction	5
2	Objective	5
3	Applicability	6
4	Definitions	6
5	Governance Framework	6
6	Board of Directors	7
6.1	Board Composition.....	7
6.2	Board Responsibilities.....	7
6.3	Appointment and Tenure of Directors.....	8
6.4	Compensation/ Sitting fees.....	9
6.5	Board meetings.....	9
6.6	General information to be placed before the Board of Directors.....	9
6.7	Agenda for the Board Meetings.....	10
6.8	Attendance at Board Meetings.....	10
6.9	Minutes of the Board Meeting.....	10
6.10	Duties and Responsibilities.....	10
7	Delegation of Authority	11
8	Committees of the Board	11
8.1	Audit Committee.....	11
8.2	Nomination and Remuneration Committee.....	12
8.3	Stakeholders' Relationship Committee.....	13
8.4	Risk Management Committee.....	14
8.5	Corporate Social Responsibility Committee.....	15
8.6	Other Committees.....	15
9	Senior Management and KMPs	15

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



9.1	Responsibility of Senior Management and KMPs.....	15
9.2	Compensation of Senior Management and KMPs.....	16
10	Disclosure and Transparency.....	16
10.1	Legal Compliances.....	16
10.2	Conflict of Interest and Related Party Transactions.....	16
10.3	Disclosures in the Annual report.....	17
10.4	Code of Conduct of Directors and Employees.....	17
10.5	Professional Secrecy.....	17
10.6	Board Evaluation.....	17
11	Audit and Auditors.....	18
12	Governance during crises.....	18
13	Website Disclosure.....	19
14	Review and Amendments.....	19
15	Detailed Version Control Sheet.....	19
16	Annexures.....	20

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



1. Introduction

The Company values the adoption of high standards of corporate governance to assist the Board in the exercise of its responsibilities. Effective corporate governance is essential to the Company, to help reduce risks, improve transparency, and build trust and a positive reputation among customers, vendors, shareholders, and the public at large. The Company also recognizes that the timely and accurate disclosure of information regarding the financial situation, performance, Board constitution, ownership of the Company, etc. is an important part of corporate governance.

This Policy provides the framework under which the Board, its Committees and the Company's management operate, to serve the best interests of the Company and all its stakeholders. It includes Company's corporate structure, culture, policies and the manner in which it deals with various stakeholders. The Policy also addresses the responsibilities, authority and administration of the Board, its Committees and the Company's management.

Explanation – For the purpose of this Policy, the term “management” includes, Executive Directors, Key Managerial Personnel (“KMP”) so appointed under the CA 2013 and Senior Management as defined under LODR.

This Policy is effective from 27 December 2022.

2. Objective

The Policy is designed to establish the general corporate governance strategy and commitments of the Company, based on the application of the highest ethical standards and compliance with good governance recommendations generally recognized in the market, adjusted to the Company's needs and particularities.

This Policy is being adopted and published in compliance with applicable regulations of LODR 2015, provisions of the CA 2013, other allied laws and the Company's Memorandum of Association (enclosed as **Annexure A** to this Policy) and Articles of Association (enclosed as **Annexure B** to this Policy). This Policy should be read in conjunction with the other codes and policies formulated by the Company from time to time.

The key objectives of this policy are to provide guidelines to ensure:

- i. constitution of a Board of appropriate composition, size, varied expertise and commitment to discharge its responsibilities and duties;
- ii. timely flow of information to the Board and its Committees to enable them to discharge their functions effectively;
- iii. independent verification and safeguarding integrity of the Company's financial reporting;
- iv. that a sound system of risk management and internal control is in place;
- v. timely and balanced disclosure of all material information concerning the Company to all stakeholders;
- vi. transparency and accountability;

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- vii. compliance with all the applicable acts, rules and regulations; and
- viii. fair and equitable treatment of all the Company's stakeholders including employees, customers, shareholders and investors.

This Policy is intended as a 'living document' in the context of changing regulations and emerging best practices towards enhancing the Company's governance. This Policy supplements and complements the Company's values, vision, mission, and Memorandum and Articles of Association by setting forth principles of good and transparent governance.

3. Applicability

This Policy is applicable to the Company, the Board, KMP and Senior Management.

4. Definitions

- 4.1 "**Board**" means Board of Directors of the Company, as constituted from time to time.
- 4.2 "**CA 2013**" means the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 4.3 "**Company**" or "**Cyient DLM**" means Cyient DLM Limited.
- 4.4 "**Director**" shall mean Directors as defined under section 2(34) of CA 2013.
- 4.5 "**Independent Director**" means a Director referred to in Section 149(6) of CA 2013 read with relevant rules and LODR 2015.
- 4.6 "**Key Managerial Personnel**" or "**KMP**" shall mean members of the core management team of the Company including all Whole-time Directors (WTD)/Managing Directors (MD)/Chief Executive Officer (CEO) and shall specifically include:
 - i. Chief Financial Officer; and
 - ii. Company Secretary.
- 4.7 "**LODR 2015**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- 4.8 "**NRC**" means the Nomination and Remuneration Committee constituted by the Board of the Company from time to time as per the provisions of CA 2013 and LODR 2015.
- 4.9 "**NRC Policy**" means the Nomination and Remuneration Policy of the Company as amended and approved by the Board from time to time.
- 4.10 "**Policy**" means this Corporate Governance Policy as amended and approved by the Board from time to time.
- 4.11 "**Senior Management**" shall mean officers/personnel of the Company who are members of the core management team excluding Board of Directors and normally this shall comprise 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), including the functional heads.

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the CA 2013 or LODR 2015 or any other applicable law or guidelines.

5. Governance Framework

The governance framework of the Company consists of the following:

- i. Shareholders
- ii. Board of Directors
- iii. Senior Management – Chairman, Chief Financial Officer, Managing Director / Chief Executive Officer, Chief Operating Officer and Company Secretary
- iv. Committees - Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee

6. Board of Directors

The Board is responsible to act in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board.

The Directors are expected to attend and actively participate in Board Meetings and Meetings of Committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

The Board is responsible for overall compliance with the Corporate Governance policy of the Company. It oversees and directs the management of the Company's business and affairs. In doing so, it must act honestly, in good faith and in the best interests of the Company.

6.1 Board Composition

The Company is committed to ensure that it has an eminent, credible, and diverse Board in accordance with the Board Diversity Policy of the Company. While constituting the Board, the Company will look for integrity, fiduciary skills, and influence that would help build an enduring institution and to enable the Directors effectively and efficiently discharge their responsibilities individually and collectively. The Board will, from time to time, bring new perspectives to the management. Healthy Board discussions and debates are recognized as critical to help the executive team take effective and rational decisions. This will enable the Company to balance the immediate fundamentals while keeping an eye on the long term.

The size of the Board of the Company shall be as per the Memorandum and Articles of Association of the Company read with the CA 2013 and rules made thereunder, LODR and such other laws/ regulations in force for the time being, to the extent applicable to the Company.

NRC has devised the Board Diversity Policy and will consider diversity of skills, knowledge, relevant industry experience, age, culture, nationality, ethnicity, race, gender, while nominating Board members. In identifying suitable candidates for appointment to the Board, NRC considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the board.

The Company's Board shall have an optimum combination of Executive, Non-Executive and Independent Directors, and not less than fifty per cent of the Board of Directors shall comprise of Non-Executive

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



Directors. The Board should have at least one Independent Woman Director as required by the applicable laws/ rules and regulations.

6.2 Board Responsibilities

- i. The Board bears the primary responsibility for creating and enhancing the long-term shareholder value of the Company and ensuring that this objective is achieved in all its business activities.
- ii. It is responsible for making statutorily identified decisions and for conducting oversight of the business and affairs of the Company and its management.
- iii. It must ensure the Company's ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain long term success and viability as a business entity.
- iv. The Board's mandate consists of setting the strategic business directions of the Company, appointing its senior executive officers, confirming its organizational structure, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, measuring, and rewarding the performance of management, and generating a reasonable investment return to shareholders. It shall also provide an independent check on management.
- v. It is the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.
- vi. The Board should formulate the Company's vision, mission, strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

As an integral part of the proper implementation of the business strategy, the Board should take action as under:

- i. Establish appropriate systems to regulate the risk appetite and risk profile of the Company. It will also enable identification and measurement of significant risks to which the company is exposed in order to develop an effective risk management system.
- ii. Ensure that the IT systems in the Company are appropriate and have built-in checks and balances to produce data with integrity and put in place a business continuity and disaster recovery plan.
- iii. Ensure that the Company has in place a robust compliance system for all applicable laws and regulations.
- iv. Ensure that the Internal Audit function perform in an objective, independent and risk oriented manner, and obtain timely feedback.
- v. Prescribe requirements and frequency of reporting in respect of each of the above areas of responsibility as may be decided by the Board.

In the discharge of the above and other Governance functions, the Board may delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors while retaining its primary accountability.

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



In addition to the above the Board shall also be responsible for matters prescribed under various regulations/ guidelines, etc. including SEBI listing regulations.

6.3 Appointment and Tenure of Directors

- i. The Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within three months from the date of appointment, whichever is earlier. The Board members will be elected individually and not by slate.
- ii. The tenure of the Executive Directors must not exceed 5 years at a time.
- iii. Independent Director shall hold office for a term up to 5 consecutive years and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution.
- iv. Age limit for the retirement of Independent Directors shall be on attainment of 70 years i.e., his/her office shall expire on his/her birthday.
- v. At least two-thirds of the total number of directors of the Company (except Independent Directors) shall be liable to retirement by rotation. At every annual general meeting, one-third of such of the directors liable to retire by rotation (rounded off to the nearest number) shall retire from office.

NRC will recommend the induction of Board Members in accordance with Policy on Board Diversity and NRC Policy of the Company. The new director shall be apprised of the working of the Company and various Codes of Conduct adopted by the Company in its functioning.

In case of appointment of a new director or reappointment of a director/additional director during the year, the shareholders shall be provided with the following information among others as per regulatory requirements:

- i. A brief resume of the Director;
- ii. Nature of his/ her expertise in specific functional areas; and
- iii. Names of companies in which the person also holds directorship and the membership of committees of the Board, when such appointment/re-appointment comes up for approval at a general meeting of the shareholders.

6.4 Compensation/ Sitting fees

Remuneration of Executive and Non-Executive Directors (including Independent Directors) shall be in compliance with the provisions of the CA 2013 and LODR 2015.

In accordance with NRC Policy, remuneration of Executive and Non-Executive Directors (including Independent Directors) shall be approved by the Board based on the recommendations of the NRC and shall be subject to approval of the Shareholders, wherever applicable.

An Independent Director shall not be entitled to stock options, and/ or be entitled to any remuneration other than sitting fee such as reimbursement of expenses for participation in the Board or Committee meetings and profit related commission, as approved by the Shareholders', as may be required.

6.5 Board Meetings

- i. Board Meetings of the Company shall be held at least four times a year, once every quarter and not more than one hundred and twenty days shall elapse between two successive meetings.

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- ii. The schedule of Board meetings shall be decided in October each year for the following calendar year and circulated to the Board members. The annual Board calendar is drawn up 4 to 6 quarters in advance together with a well thought out action planner. All tasks are scheduled in advance so that everyone concerned can plan their work systematically. This also enables better time management of and for the Board besides aiding their efficiency.
- iii. The Quorum for the meetings of the Board shall be as per the Articles of Association of the Company. The meetings of the Board will be normally held at the Company's registered office or through video conferencing, if permitted, unless otherwise decided by the Board of Directors.
- iv. In case of urgent matters, resolutions may be approved by circulation, in accordance with the CA 2013.

6.6 General information to be placed before the Board of Directors

The information to be placed before the Board shall include but not be limited to the following:

- i. Annual business plans and budgets and updates on the same every quarter.
- ii. Capital budgets and any updates and periodic reviews of performance of the Insurance Company.
- iii. Quarterly / Half yearly / Annual financial results, as the case may be, for the Company and its operating divisions or business segments.
- iv. Minutes of meetings of Audit Committee and other committees of the Board.
- v. The information on recruitment and remuneration of senior management personnel i.e. officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary / Compliance Officer, Head of Departments.
- vi. Show cause, demand, prosecution notices and penalty notices which are materially important.
- vii. Fatal or serious accidents, dangerous occurrences affecting business continuity.
- viii. Any material default in financial obligations to and by the Company.
- ix. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- x. Details of any joint venture or collaboration agreement.
- xi. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- xii. Significant labour problems and their proposed solutions. Any significant development in Human Resources front like change in compensation structure, implementation of Voluntary Retirement Scheme etc.
- xiii. Sale of a material nature; e.g. investments, subsidiaries, assets, which is not in normal course of business.
- xiv. Non-compliance of any regulatory, statutory nature or listing requirements (when applicable) and shareholders service such as non-payment of dividend etc.
- xv. organizational structure of the Company and delegation of authority.
- xvi. corporate and management controls and systems including procedures.
- xvii. economic features and marketing environment.
- xviii. information and updates as appropriate on the Company's products.
- xix. information and updates on major expenditure.
- xx. report periodically about implementation of strategic initiatives and plans.
- xxi. all relevant information for taking informed decisions in respect of matters brought before the Board.

6.7 Agenda for the Board Meetings

- i. Advance notice (7 days' prior notice as mandated by the Companies Act, 2013) and advance agenda and meeting materials (except Unpublished Price Sensitive Information) shall be provided to each Director in order to take an informed decision and also to raise queries and sought clarifications

Cyient DLM Limited

Mysore Office:

Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:

3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- during the meeting.
- ii. A meeting of the Board may be called at shorter notice to transact urgent business, subject to the condition that at least one Independent Director shall be present at the meeting. In case of absence of Independent Directors from such meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.
 - iii. The management or any Director may suggest agenda items before the meeting and may also raise any additional matters to be discussed at the meeting.

6.8 Attendance at Board Meetings

- i. The Board Meetings shall be attended by the Directors and on invitation of the Board by executives of the Company who can provide an insight into the agenda items being discussed. All the Executive as well as Non- Executive Directors shall endeavor to attend all meetings of the Board.
- ii. In case a Director cannot attend a specific Board Meeting, he or she shall obtain leave of absence from the Board. However, if a Director absents himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board, the office of such director shall become vacant.
- iii. The Directors must devote their full time and attention for discharging their responsibilities at the Board meeting.
- iv. The quorum for the meetings of the Board shall be one-third of its total strength or three directors, whichever is higher; including at least one Independent Director provided.

6.9 Minutes of the Board Meeting

The voting power at the meetings and circulation of minutes will be in accordance with the CA 2013 and Articles of Association of the Company.

6.10 Duties and Responsibilities

- i. The Board is responsible for Review of the Compliance Certificates along with the Compliance Report of various laws, Regulations and applicable codes submitted by concern Functional Heads on Quarterly basis.
- ii. Formulation, adoption and review of the various policies prescribed by various Statutory Authorities from time to time.
- iii. Setting Standards of Business Conduct and Ethical Behavior for the Board and Senior Management.
- iv. Providing strategic guidance for implementation of business policy and Structure for Management Information System for review and taking corrective actions.
- v. Reviewing and regulating the risk profile of the Company through the effective Risk Management System.
- vi. Reviewing all the Regulatory and supervisory directions submitted to it from time to time.
- vii. Assessing the performance of Senior Management in implementation of Board Philosophy.
- viii. Reviewing the Reports on integrity and appropriateness of the IT system of the Company.
- ix. Forming various Committees of Board for discharging its various duties while retaining its primary accountability.
- x. Setting up sound system of internal controls and audit including Financial, operational and Compliance controls and annual review of such system for their effectiveness.
- xi. Monitoring the financial performance of the Company and must ensure that the financial results are prepared in accordance with prescribed accounting standards under CA 2013 and any other applicable regulations.
- xii. Ensuring that all material developments of the Company are disclosed to the public on a timely basis in accordance with the LODR 2015, when applicable.
- xiii. Formulating Compensation strategy and employee benefit schemes.

Cyient DLM Limited

Mysore Office:

Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:

3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- xiv. Formulating investment strategies for the investment of the funds.
- xv. Reviewing the functioning of Whistle Blower Mechanism across the Company on periodical basis.
- xvi. Taking help of independent outside consultants/advisors
- xvii. Delegating the powers to committees for ensuring Compliance

In addition to the above, the Directors shall execute such other duties as defined under Schedule IV of CA 2013.

7. Delegation of Authority

The Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the manager, or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the following powers, on such conditions as it may specify: (a) to borrow monies (b) to invest the funds of the company (c) to grant loans or give guarantee or provide security in respect of loans.

The Board, in order to manage and supervise the business and management of the Company and also for efficient decision-making, may delegate its authority to the committees of the Board or to any KMP or officer of the Company.

In relation to the above, the Board will determine the matters which must be approved by the Board and matters which may be approved by the Committees / Management, without requiring further Board approval.

The Board will not delegate such powers and functions to the committees which are prohibited to be delegated under any applicable law or AoA of the Company.

The Company will have a detailed delegation of authority ("DOA") matrix and consider factors such as ease and efficiency of operations/ decision-making while devising this matrix.

8. Committees of the Board

8.1 Audit Committee

i. Role

The Company shall set up an Audit Committee in compliance with the CA 2013 and LODR 2015, which binds the constitution and functioning of the Committee.

The primary function of the Committee shall be to assist the Board on matters relating to applicable legal requirements with respect to independence, financial literacy, accounting or related financial expertise etc. The management of the Company has the overall responsibility to prepare financial statements in accordance with prescribed accounting standards under CA 2013 and any other applicable regulations. The Company's independent Auditors have the responsibility to audit these financial statements.

The Committee will oversee the correct preparation and provision of financial information as well as to oversee financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis. It shall set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms. However, the Committee has no obligation to provide

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



any expert or other special assurance as to the Company's financial statements. The function of the Committee is to perform the duties in accordance with the "Terms of Reference of Audit Committee" (enclosed as **Annexure C** to this Policy) of the Company.

ii. Membership

The members of the Committee are appointed by the Board. The Committee shall consist of a minimum of three directors and two-thirds of the members shall be Independent Directors.

The Chairperson of the Committee shall be an Independent Director and should ideally be a professional Chartered Accountant or a person with strong financial background.

The Chairperson shall remain present at the annual general meeting to respond to shareholder queries. Without prejudice to the powers of Board or members of the Committee or appointment / removal of the members of the Committee or designating any invitees to the Committee, the CEO/ Managing Directors / Executive Director shall attend the Committee meeting as an Invitee, for the purpose of providing any information or any clarification in relation to audit findings.

iii. Meetings

The Committee Meeting shall be attended by:

- the members of the Committee;
- Company Secretary who shall act as the secretary to the Committee; and
- such other invitees at the discretion of the Chairperson of the Committee

The meetings of the Committee shall at least be held four times a year, usually preceding the Board Meeting and not more than one hundred and twenty days shall elapse between two successive meetings.

The quorum shall be either two members or one third of the members of the Committee whichever is greater, with presence of at least two Independent Directors.

The quarterly financial statements shall be reviewed by the Committee before placing the same before the Board. In addition to its members, the Committee may at its discretion require the attendance of Senior Management of the Company at its meetings. The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Committee.

The meetings can also be conducted vide tele-conference/ video conference, where permitted by applicable regulations or as required otherwise.

iv. Reporting

The Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Audit Committee meeting which will include through placing of its minutes of the meetings.

8.2 Nomination and Remuneration Committee

i. Role

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



The Company shall set up a Nomination and Remuneration Committee in compliance with the CA 2013 and LODR 2015, which binds the constitution and functioning of the Committee.

The Committee shall be under the chairmanship of an Independent Director. The Committee to perform duties in accordance with the "Terms of Reference of Nomination and Remuneration Committee" (enclosed as **Annexure D** to this Policy) of the Company, including but not limited to determining and making recommendations with respect to all forms of compensation to be granted to Directors and senior management employees of the Company in accordance with Nomination and Remuneration Policy of the Company.

ii. Membership

The Committee shall consist of at least three Non-Executive Directors, out of which at least two-thirds of the members shall be Independent Directors and all the Directors of the Committee shall be Non-Executive Directors.

The Chairperson of the Committee shall be an Independent Director. Chairperson of the Company, whether Executive or Non-Executive, maybe appointed as a member of the Committee and shall not chair such Committee. The Chairperson of the Committee shall be present at the annual general meeting, to answer the shareholder queries.

The Company Secretary will act as Secretary to the Committee.

iii. Meetings

The Committee shall meet as frequently as required to perform its functions provided that there shall be at least two meetings, of which one shall be held prior to the approval of annual financial accounts (in the month of February/March of a year) and one meeting shall be held during the second quarter of a financial year (in the month of August/September), or at such other time, as the Committee may decide.

The Committee shall review the succession planning process of the Company at such meeting and would also meet some of the Key Management Personnel during the meeting.

The Chairperson of the Committee shall determine, in consultation with the Committee Members, the agenda for various meetings of the Committee, generally within the ambit of the "Terms of Reference of Nomination and Remuneration Committee" of the Company.

The quorum for the meetings of the Committee shall be two Members of the Committee or one-third of the Members of the Committee, whichever is greater, including one Independent Director, provided resolutions of the Committee may also be passed by a resolution by circulation signed by a majority of the Committee Members, including an Independent Director.

The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Committee.

The meetings can also be conducted vide tele-conference/ video conference, where permitted by applicable regulations or as required otherwise.

iv. Reporting

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



The Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting, which will include through the placing of its signed minutes before the Board of Directors.

8.3 Stakeholders' Relationship Committee

i. Role

The Company through its Board shall constitute Stakeholders' Relationship Committee in terms of and in compliance with the CA 2013 and LODR 2015. This Committee shall oversee the performance of the Registrar and Share Transfer Agent and recommend measures for overall improvement of the quality of stakeholders/investor services. The Committee shall also oversee and review all matters relating to transfer of securities. The Committee shall consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend. The Chairperson of the Committee may be present at the Annual General Meeting, to answer the shareholder queries.

The Stakeholders Relationship Committee shall also function as the Grievance Redressal Committee.

ii. Membership

The Committee shall consist of at least 3 or more Directors with at least one being Independent Director. The Chairperson of the Committee shall be Non-Executive Director. The Chairperson of the Committee shall be present at the annual general meeting, to answer the shareholder queries. The Company Secretary shall act as Secretary to this Committee.

iii. Operations

The Chairperson shall call the Committee meeting as and when required however the Committee shall meet at least once in a year. The quorum of the meetings shall be one third of the total strength or two Directors whichever is greater.

The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Committee.

The meetings can also be conducted vide tele-conference/ video conference, where permitted by applicable regulations or as required otherwise.

iv. Reporting

The Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

8.4 Risk Management Committee

i. Role

Risk Management Committee shall be under the chairmanship of a Non-Executive Director. The primary function of the Committee is to assist the Board in setting up a risk management strategy.

ii. Membership

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



The Committee shall have minimum three members with majority of them being members of the Board, including at least one Independent Director. The Chairperson of the Committee shall be a member of the Board and senior executives of the listed entity may be members of the committee. The Chairperson of the Committee shall be present at the annual general meeting, to answer the shareholder queries.

iii. Operations

The members of Risk Management Committee shall meet at least twice in a year. The meetings of the Committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings. The quorum shall be either two members or one third of the members of the Committee whichever is higher, including at least one member of the Board of Directors in attendance.

The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Committee.

The meetings can also be conducted vide tele-conference/ video conference, where permitted by applicable regulations or as required otherwise.

iv. Reporting

The Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of its minutes of the meetings.

8.5 Corporate Social Responsibility Committee

i. Role

The Corporate Social Responsibility (CSR) Committee shall be set up in compliance with the provisions of the CA 2013. The Committee shall decide upon the CSR activities of the Company and the CSR expenditure to be incurred by the Company and recommend the same to the Board for its consideration and approval.

The Committee shall be responsible for monitoring the CSR Policy of the Company.

ii. Membership

The Committee shall consist of at least three Directors out of which at least one shall be independent provided that the composition of Committee shall be in line with the requirements prescribed under the CA 2013. The Chairperson of the Committee shall be a Non-Executive Director. The Chairperson of the Committee shall be present at the annual general meeting, to answer the shareholder queries. The Company Secretary shall act as Secretary to this Committee.

iii. Operations

The quorum of the meetings shall be one third of the total strength or two Directors whichever is more. An Independent Director shall be necessary to form the Quorum.

The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Committee.

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



The meetings can also be conducted vide tele-conference/ video conference, where permitted by applicable regulations or as required otherwise.

iv. Reporting

The Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting which will include through placing of minutes of its meetings.

8.6 Other Committees

The Board shall have powers to form other Committees from time to time and define their terms of reference.

9. Senior Management and KMPs

Management is responsible for operating the Company in an effective, ethical, and legal manner designed to produce value for the Company's shareholders consistent with the Company's policies and standards including this policy. Management is also responsible for enforcing and complying with mandatory provisions of the Company's policies and standards. Senior management is responsible for understanding the Company's income producing activities and the material risks being incurred by the Company and is also responsible for avoiding conflicts of interest with the Company and its shareholders.

9.1 Responsibility of Senior Management and KMPs

- i. Producing financial statements that represent a true and fair view of the financial condition of the company in line with applicable regulations and guidance.
- ii. Developing and presenting strategic business plans.
- iii. Developing and presenting annual operating plans and budgets.
- iv. Establishing an effective management and organization structure.
- v. Setting a strong ethical 'tone at the top' for compliance with applicable laws and the Company's policies.
- vi. Developing, implementing, and monitoring an effective system of internal controls and procedures.
- vii. Establishing, maintaining and evaluating the Company's 'disclosure controls and procedures' under applicable regulations (including those related to internal accounting).

9.2 Compensation of Senior Management and KMPs

In accordance with NRC Policy, the NRC will assume responsibility for recommending and periodically reviewing Senior Management / KMP compensation. The NRC is empowered for this purpose, to engage relevant skilled and experienced, external, independent compensation consultants. The following aspects are to be noted.

- i. Compensation structures will factor the specific goals / objectives (KPIs) linked to the relevant roles.

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- ii. Annual compensation decisions will be based on a detailed performance evaluation of the individuals in the context of the agreed KPIs.
- iii. Compensation will be structured to incorporate a mix of fixed and variable components that will factor contribution to both short term and long-term goals of the organization, businesses, or functions that the individuals are responsible for.
- iv. The Company will establish compensation structures that will enable it to attract and retain the best senior talent and will also consider peer group / industry benchmarks for this purpose.

10. Disclosure and Transparency

The Company shall update the Board, on annual basis or such other frequency as decided by the Board, on the following:

- i. The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company; and
- ii. Conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

10.1 Legal Compliances

The Company shall follow a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Audit Committee of compliance status of laws applicable to the Company and steps taken to rectify non-compliances, if any.

10.2 Conflict of Interest and Related Party Transactions

Conflict of Interest

The Board of Directors shall consider assigning a sufficient number of Non-Executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

No employee (including KMPs) or Director or Promoter of the Company shall enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board as well as public shareholders by way of an ordinary resolution.

Disclosures

All Directors are required to disclose their interest in other bodies corporate to the Board on an annual basis and / or as required. Directors are also required to disclose their interest in other bodies corporate as and when they become interested. Further, wherever a Director becomes interested in any contract or arrangement, the same is required to be disclosed to the Board and the Director shall not participate or vote at the transaction in which he is interested.

Cyient DLM Limited

Mysore Office:
Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:
3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



Senior Management / KMPs shall make disclosures to the Board on all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (conflict of interest relates to dealing in the shares of Company, commercial dealings with bodies, which have shareholding of management and their relatives etc.).

Related Party Transactions

The Company shall comply with the requirements prescribed under the CA 2013 and LODR 2015 with regard to the related party transactions. It shall formulate a Policy on Related Party Transactions covering the criteria specified under the provisions of CA 2013 and LODR 2015, as amended from time to time. The Company shall establish a framework for undertaking transactions with related parties.

10.3 Disclosures in the Annual report

The Company should disclose the following in its annual report:

- i. Number of meetings held of the Board of Directors and the Committees mandated under the guidelines, in the Financial year.
- ii. Details of the Composition of the Board of Directors and the Committees mandated, setting out name, qualification, field of specialization, status of Directorship held etc.
- iii. Number of meetings attended by the Directors and the members of the Committees.
- iv. Details of the remuneration paid, if any to the Independent Director.
- v. Certification from the Compliance Officer.
- vi. Such other matters as prescribed under the CA 2013, LODR 2015 and other applicable laws.

10.4 Code of Conduct for the Board and Senior Management

The Code of Conduct adopted by the Company for the Board and Senior Management shall be posted on the website of the Company. The members of the Board and Senior Management of the Company shall submit their affirmation on compliance with the said Code of Conduct annually.

10.5 Professional Secrecy

The Board, Senior Management and KMPs shall maintain secrecy on all matters of business, strategy and operations of the Company. Training programs imparted by the Company will incorporate recommended mechanisms for maintaining secrecy.

Directors, Senior Management and KMP shall have a duty, even after they have ceased to hold office, not to disclose any information which they hold concerning the Company, the disclosure of which might be prejudicial to the Company's interests, except where such disclosure is required or permitted by law or is in the public interest.

10.6 Board Evaluation

In accordance with Policy on Board Evaluation of the Company, NRC shall put in place a mechanism to facilitate evaluation of performance of Directors in line with the requirements under CA 2013. The Company may engage a third-party independent agency to undertake the evaluation.

Further, the Independent Directors shall hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of management and shall:

- i. review the performance of Non-Independent Directors and the Board as a whole;

Cyient DLM Limited

Mysore Office:

Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:

3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdlm.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- ii. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors; and
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

11. Audit and Auditors

Internal Audit

Internal Audit is an integral part of the Company's internal control system which aids the Audit Committee to discharge its functions and responsibilities adequately and effectively and also ensure that the internal processes and procedures are adhered to. The Company shall have an internal audit plan in place, which would be reviewed by the statutory auditors in consultation with the Audit Committee.

The Audit Committee will review the audit reports submitted by the internal auditors. Suggestions for improvement are to be considered, and the Audit Committee will follow up on the implementation of corrective actions. The Audit Committee shall also meet the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the company and keep the Board informed of its key observations from time to time. The Statutory Auditors will also independently audit the internal financial controls over financial reporting of each financial year

Statutory Audit

The Audit Committee will recommend, for approval of the Board of Directors (and to be confirmed by the shareholders), a duly accredited external auditor, known as the Statutory Auditor, who shall undertake an independent audit and shall provide an objective assurance on the way in which the financial statements have been prepared and presented. The Statutory Auditors are appointed as per the applicable laws and regulations and all applicable rules of rotation are to be complied with, by the Company.

The Company shall review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically. Necessary declarations shall be obtained from the Auditors affirming their eligibility for being appointed as the Statutory Auditors of the Company.

Secretarial Audit

The Company will also appoint an external Secretarial Auditor in accordance with the applicable regulations. The Secretarial Auditor will undertake Secretarial Audit for evaluation, forming an opinion and to report to the Shareholders as to whether, the Company has complied with the applicable laws comprising various statutes, rules, regulations, guidelines, followed the Board processes and to also report on existence of a compliance management system. The Secretarial Audit report forms part of the Annual Report of the Company.

12. Governance During Crisis

In the event of an unforeseen exigency, Corporate Governance, assumes an even more significant role in ensuring the best possible outcomes for all stakeholders. At this time, it is important for the Board to:

- i. stay focused to the purpose, values, principles, and culture of the organization;
- ii. ensure the organization is agile and responsive to the changing systems and regulations;
- iii. keep a pulse on changing stakeholder expectations;

Cyient DLM Limited

Mysore Office:

Plot no.347, D1 &2, KIADB
Electronics City, Hebbal Industrial
Area, Mysore 570 016,
Karnataka, India

Regd Off:

3rd Floor Plot No.11
Software units Layout,
Infocity, Madhapur, Hyderabad,
Telangana 500 081, India

www.cyientdml.com
CIN: U31909TG1993PLC141346
T: +91 8214282222/4004500
F: +91 8214000369



- iv. prioritize employee well-being as instrumental to organizational well-being;
- v. activate business continuity plan/ crisis management plan;
- vi. strengthen stakeholder communication and engagement; and
- vii. review the need to make commitments, financial and otherwise, to respond to a specific situation.

Crisis shall mean any event which is fast evolving to an unstable condition involving an impending abrupt or significant change that requires urgent attention and action to protect life, safety of employees, assets, business continuity with profitable growth, reputation, and environment. An incident may be categorized as a crisis if one or more of the following impacts occur:

- i. Large scale impact on health and safety of employees and community;
- ii. Inability to provide service to our clients in key geographies;
- iii. Significant plunge in share price;
- iv. Sustained reputational damage;
- v. Significant loss of confidence by key stakeholders;
- vi. Unavailability of leadership.

The Board shall be responsible for overseeing the management of crisis events to ensure the impact is minimal and shall directly manage the crisis arising out of governance events. The Board shall assess the response and advise the management for any additional mitigation actions. Upon the end of crisis, they should assess the learnings from the crisis that need to be implemented.

13. Website Disclosures

This Policy will be uploaded on the website of the Company.

14. Review and Amendment

The Board may at any time, amend this Policy either pursuant to any change in law or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy.

The Company will engage an external independent professional, to review the Company's adherence to this Policy, on an annual basis. The report of such professional will be reviewed by the Audit Committee and any observations/ recommended actions will be closely monitored.

15. Detailed Version Control Sheet

This section is the control sheet of all the changes that have been carried out in the Policy and shall list the changes done since inception.

Change in version no.	Page no.	Section no.	Erstwhile section	New/Modified section	Reason for change

Cyient DLM Limited

Mysore Office:
 Plot no.347, D1 &2, KIADB
 Electronics City, Hebbal Industrial
 Area, Mysore 570 016,
 Karnataka, India

Regd Off:
 3rd Floor Plot No.11
 Software units Layout,
 Infocity, Madhapur, Hyderabad,
 Telangana 500 081, India

www.cyientdml.com
 CIN: U31909TG1993PLC141346
 T: +91 8214282222/4004500
 F: +91 8214000369