



ANNEXURE – II

POLICY ON NOMINATION AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT–INDSEC SECURITIES AND FINANCE LIMITED

REGULATORY BACKGROUND

As per section 178 of the Companies Act, 2013 the Board of Directors of every public company having share capital of Rs. 10 crore and above shall constitute a Nomination and Remuneration Committee. The section also mandates formulation of a nomination and remuneration policy for Directors, Key Managerial Personnel (KMP) and Senior Management.

In view of the above, a policy is formulated and established for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of Indsec Securities and Finance Limited.

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

- a) **“Act”** means the Companies Act, 2013
- b) **“Board”** means the Board of Directors of the Company.
- c) **“Company”** means Indsec Securities and Finance Limited
- d) **“Director”** means a director of the Company
- e) **“Key Managerial Personnel”** means a person appointed as such under section 203 of the Act.
- f) **“Management”** includes the Managing Director and Whole-time Director of the Company.
- g) **“Nomination and Remuneration Committee”** means the committee formed pursuant to section 178 of the Act.
- h) **“Rules”** means the Companies Rules framed under the Companies Act, 2013
- i) **“Senior Management”** means all personnel employed one level below the board of directors of the Company including the functional heads and whose reporting is directly to the Managing Director of the Company.

PART A – NOMINATION POLICY

1. APPOINTMENT OF BOARD OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

The Nomination and Remuneration Committee shall take into account all of the following criteria while recommending a candidate for appointment as Director or KMP or Senior Managerial Personnel:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification and experience for the appointment to position he/ she is considered.
- Independent Directors should meet the criteria laid down in section 149 of the Act and shall abide by the Code of conduct for Independent directors under schedule IV of the Act.
- The appointment to the position of KMP and senior management shall be subject to a formal interview and assessment.

2. TENURE

Managing Director and Whole – time Director



A person shall be appointed as a Managing Director or Whole –time Director for a term of not more than 5 years at a time. They shall be re-appointed for further term with approval of shareholders at a general meeting.

Independent Directors

Independent Directors shall be appointed for a term not exceeding 5 years. They can be reappointed for a further term of not more than 5 years with the approval of shareholders by a special resolution at a general meeting. They shall not be liable to retire by rotation.

PART B – REMUNERATION POLICY

1. MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR REMUNERATION

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director / Whole-time Director shall be governed as per provisions of the Act and Rules made there under or any other enactment for the time being in force and subject to approval of the Nomination and Remuneration Committee.

The total remuneration shall be subject to the slabs mentioned in the Act. The remuneration shall be subject to the approval of shareholders at a general meeting. The remuneration may consist of the following:

- Salary
- Perquisites and allowances
- Other benefits may be provided in accordance with the standard rules of the Company.

2. NON-EXECUTIVE DIRECTOR REMUNERATION

No remuneration shall be paid to non-executive directors and independent directors. Expenses incurred by the non-executive and independent directors to attend the meetings of the Board of Directors may be reimbursed by the Company.

3. KMP AND SENIOR MANAGEMENT PERSONNEL REMUNERATION

- KMP and senior managerial personnel shall be eligible for a fixed monthly remuneration as may be decided by the Company's management. The break-up of the pay scale and quantum of perquisites including contribution to P.F, pension scheme, medical expenses, etc. shall be decided and approved by the Company's management in accordance with the industry standards, relevant laws and regulations, scale of Company's business, position of the employee, his/ her qualification and experience.
- The management may offer a yearly increment and bonus based on the performance of the KMP or senior managerial personnel

REVIEW

The Nomination and Remuneration Committee is responsible for the monitoring, implementation and review of this policy. The Nomination and Remuneration Committee will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company.

This Policy is intended to provide a set of flexible guidelines for the effective functioning of the Company's nominations process for directors, KMPs and senior management. The Committee intends to review this Policy at least annually and anticipates that modifications may be necessary from time to time.