

## HIND SECURITIES AND CREDITS LIMITED

### NOMINATION AND REMUNERATION POLICY

#### **1. LEGAL FRAMEWORK:**

This Policy on Nomination and Remuneration is aimed at providing guidelines to the management of Hind Securities & Credits Limited ("**Company**"), on various issues on appointment, evaluation of performance, remuneration of Directors and Key Managerial Personnel.

This Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 ("**The Act**") read along with the applicable rules thereto and accordance with the current guidelines laid down by Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**").

#### **2. Definitions:**

##### **A. "Board of Directors" or "Board"**

Board of Directors or Board shall mean the Board of Directors of Hind Securities & Credits Limited, as constituted from time to time.

##### **B. "Company"**

Company shall mean "Hind Securities & Credits Limited".

##### **C. "Committee"**

Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing regulations.

##### **D. "Independent Director"**

Independent Director means a Director referred to in Section 149(6) of the Act read along with the applicable rules thereto and Listing Regulations.

##### **E. "Key Managerial Personnel (KMP)"**

Key Managerial Personnel mean Key Managerial Personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.

Unless the context otherwise require, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the same meaning respectively assigned to them therein.

### **3. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:**

This Policy envisages the role and responsibility of the Independent Directors, Constitution of the Nomination and Remuneration Committee, term of appointment of Directors and KMPs, remuneration of the Directors, KMPs, Independent Directors, Stock Options to Directors, KMPs, other employees, evaluation of Directors, KMPs, Independent Directors, etc.

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the Listing Regulations. The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy. The Committee members may attend the meeting physically or through Video conference or through permitted audio -visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee (s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

### **4. ROLE AND POWERS OF THE COMMITTEE:**

The Role and Powers of the Committee shall be as under:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who qualify to become Directors in accordance with the criteria laid down in this Policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Key Managerial Personnel.
- f) To recommend to the Board policy relating to remuneration for Directors and Key Managerial Personnel.
- g) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks.
- h) To carry out any other function as is mandated by the Board from time to time and /or enforced by the statutory notification, amendment or modification, as may be applicable.

- i) To devise a policy on Board Diversity.
- j) To formulate the Nomination and Remuneration policy of the Company and propose any amendments.
- k) To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and Key Managerial Personnel.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorized by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any. The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.

## **5. APPOINTMENT OF DIRECTOR AND KMP:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his /her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- c) Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the Listing Regulations.

## **6. TERM / TENURE:**

### **1. Managing Director:**

The Company shall appoint or re-appoint any person as its Managing Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one term before expiry of term.

### **2. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and Disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or

indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### **3. Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons in writing, removal of Director or KMP subject to the provisions and compliance of said Act, Rules and Regulations.

### **4. Retirement:**

KMP and any Director other the Managing Director and Independent Director shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to remain Director and KMP in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## **7. REMUNERATION TO DIRECTORS AND KMPs:**

### **1) Remuneration to Managing Director:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director.

### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and

Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel:**

- a) The remuneration to Key Managerial Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

**8. AMENDMENTS:**

The Board may on the recommendation of Nomination and Remuneration Committee subject to the applicable laws amend any provision(s) or substitute any of the provision (s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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