

Purshottam Investofin Limited
NOMINATION AND REMUNERATION POLICY

1. Introduction

The 'Remuneration Committee' of Directors of **Purshottam Investofin Limited** ('the Company' or 'PIL'), was constituted on 17th August, 2002 consisting of three independent directors. This Committee was responsible to review and recommend to the Board the remuneration & other benefits and service conditions of Managing/ Whole-time/ Executive Directors as well as to recommend the selection, appointment and remuneration of relative(s) of directors for holding an office of profit. In order to align with the provisions of the Companies Act, 2013 and the listing agreement, the Board on 27th May, 2014 renamed the Remuneration Committee as "Nomination and Remuneration Committee". On 12th November, 2014, the Board reconstituted the Committee consisting of three Non-Executive Directors with two members, including Chairman, as Independent Directors.

2. Objectives

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Clause 49 under the Listing Agreement. The objective of this Policy is to lay down a framework and set standards in relation to nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and such other senior management personnel as may be prescribed so as to achieve a balance of merit, experience and skills in the organization. The key objectives of the Committee are:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management personnel;
- b) To evaluate the performance of the members of the Board as well as Key Managerial Personnel and senior management personnel and to provide rewards linked directly to their efforts, performance, dedication and achievement relating to Company's operations;
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- d) Assessing the independence of Independent Directors;
- e) To make recommendation to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of the Managing/Whole- Time Directors, subject to the provision of law and their service contract;
- f) To retain, motivate and promote talent and to ensure long term sustainability of talented management personnel and create competitive advantage;
- g) To devise a policy on Board diversity;
- h) To develop a succession plan for the Board and to regularly review the plan.

3. Definitions

- a) **'The Act'** means the Companies Act, 2013 and Rules framed there under, as amended from time to time
- b) **'Board'** means Board of Directors of the Company
- c) **'Directors'** means Directors of the Company
- d) **'Key Managerial Personnel'** means:
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time Director;
 - Chief Financial Officer;
 - Company Secretary; and
 - Such other senior management personnel as may be prescribed.

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

4. Policy for appointment and removal of directors, KMP and senior management personnel

(ii) Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management personnel and recommend to the Board his/her appointment.
- b) A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing/Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(iii) Term/Tenure

a) Managing Director/Whole-time Director

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

b) 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 of upto a maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that the 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 or such other number as may be prescribed under the Act.

(iv) Evaluation

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and senior management personnel at regular intervals.

(v) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules & Regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel Or senior management personnel subject to the provisions and compliance of the said Act, Rules & Regulations.

(vi) Retirement

The Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5. Policy for remuneration to directors, KMP and senior management personnel

(i) Remuneration to Managing/Whole-time Directors, KMP and senior management personnel

The remuneration/ compensation/ commission etc. to be paid to Managing/Whole-time Directors 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.

(ii) **Remuneration to Non-Executive/ Independent Director**

The non-executive Independent /Non-Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/limits as provided under the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force.

6. **Committee Structure**

(i) **Membership**

- The Committee shall consist of a minimum three non-executive directors, majority of them being independent;
- Minimum two (2) members shall constitute a quorum for the Committee meetings;
- Membership of the Committee shall be disclosed in the Annual Report;
- Term of the Committee shall be continuous unless terminated by the Board of Directors.

(ii) **Chairperson**

- Chairperson of the Committee shall be an Independent Director;
- Chairperson of the Company may be appointed as a member of the Committee but shall not be the Chairman of the Committee;
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst themselves to act as Chairperson;
- Chairman of the Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

(iii) **Frequency of meetings**

The meeting the Committee shall be held at such regular intervals as may be required.

(iv) **Committee members' interests**

- A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

(v) **Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

(vi) **Voting**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

(vii) Duties of the Committee in relation to Nomination

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new directors and members of senior management personnel and reviewing the effectiveness.
- Ensuring that on appointment to the Board, Non- Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- Identifying and recommending directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board.
- Setting a formal and transparent procedure for selecting new directors for appointment to the Board.
- Developing a succession plan for the Board and senior management personnel and regularly reviewing the plan.
- Evaluating the performance of the Board members and senior management personnel in context of the Company's performance perspective.
- Making recommendations to the Board members of any matter relating to be continuation in office of any Director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matter, as may be requested by the Board.

(viii) Duties of the Committee in relation to Remuneration

- The duties of the Committee in relation to remuneration matters include:
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- To consider and determine the Remuneration Policy based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate in all elements of the remuneration of the members of the Board.
- To approve the remuneration of senior management personnel, including key managerial personnel of the Company and maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Considering any other matter, as may be requested by the Board.

(ix) Minutes of Committee meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meetings. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.
