

NOMINATION & REMUNERATION POLICY
OF
SHAREKHAN LIMITED

Version 1 adopted on February 28, 2025

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DEFINITIONS

- i) “Act” means the Companies Act, 2013 *(including any statutory amendments/ modifications thereof, for the time being in force)*.
- ii) “Company” means Sharekhan Limited.
- iii) “Board of Directors” or “Board” means the collective body of the directors of the company.
- iv) “NRC Committee” means Nomination & Remuneration Committee constituted by the Board of Directors of the company.
- v) “NRC Policy” means Policy formulated by Sharekhan Limited containing the terms of reference, composition, Role etc. of Nomination & Remuneration Committee. *(as amended from time to time)*
- vi) “Independent Director” (ID) shall have the same meaning as defined under Section 149(6) of the Act read with rules made thereunder.
- vii) “Executive Director” (ED) means a Whole-Time Director as defined in clause (94) of section 2 of the Act and includes a director in the whole-time employment of the company.
- viii) “Non-executive Directors” (NED) means a member of a Company's Board of Directors who is not in whole-time employment of the Company.
- ix) “Execom Members” (Execom) means and includes such officials forming part of the Core Management Team of the Company *(excluding Board of Directors)* and who are tagged as such in the HR database of the Company.
- x) “Senior Management” means the officers and personnel of the Company who are tagged as Execom members in the HR database of the Company and shall also comprise all the Members of the management one level below the Chief Executive Officer/ Managing Director of the Company *(including Chief Executive Officer in case they are not part of the Board of Directors)*.
- xi) “Key Managerial Personnel” (KMP) means:
 - (a) Chief Executive Officer (CEO) or the Managing Director (MD) or Manager;
 - (b) Whole-time Director (WTD);
 - (c) Chief Financial Officer (CFO);
 - (d) Company Secretary (CS);
 - (e) Senior Management Personnel (SMP) or such other officer, designated as KMP by the Board, who is in whole-time employment at a level not more than one level below the directors.

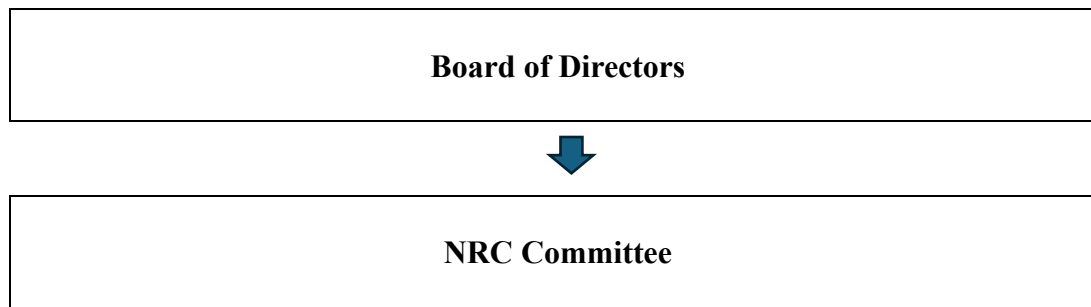
Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them under the Act and Rules as applicable to the company.

Objectives of NRC Policy

The Board of Directors of Sharekhan Limited had constituted the Nomination & Remuneration Committee pursuant to the Section 178 of the 2013 other applicable provisions of Companies Act and applicable Rules made thereunder (*including any statutory amendments/ modifications thereof, for the time being in force*). Further, pursuant to such provisions, this Nomination & Remuneration Policy has been formulated and its objective is to enable the Nomination and Remuneration Committee of the Company to:

- (a) identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (b) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

GOVERNANCE STRUCTURE OF NRC



Composition of NRC Committee

As per sub-section (1) of Section 178 of the Act, The Board of Directors of a Company shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half shall be independent directors.

Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. Accordingly, following is the constitution of NRC of the Company:

Sr. No.	Name	Designation/Category
1	Mr. Yogesh Chadha	Independent Director/ Member
2	Mr. Pradeep Udhas	Independent Director/ Member
3	Mr. Swarup Mohanty	Non-Executive Director/ Member

Frequency of NRC Meetings and quorum of such meetings

The nomination and remuneration committee shall meet at least once in a financial year and one third of the total strength of NRC or two Members, whichever is higher shall be the quorum for NRC minutes and the participation of the Member by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.

The Company/ NRC shall ensure that rest all the applicable provisions of the Act read with the applicable rules made thereunder relating to calling/ convening, conducting proceedings of the meeting, voting at the meeting and preparation and maintenance of minutes relating such meetings are complied with while conducting NRC meetings.

ROLE AND RESPONSIBILITIES OF NRC

The Role and Responsibilities of NRC are divided in three parts:

Part A: appointment of Directors, KMPs and Senior Management

Part B: remuneration Policy for Directors and KMPs and Senior Management

Part C: performance evaluation of Directors and KMPs and Senior Management Personnel

Part A: appointment of Directors, KMPs and Senior Management

The NRC shall review and assesses Board composition on a continues basis and recommend the Board changes in its composition, if any and/ or appointment of new Directors. In evaluating the suitability of individual Board Member, the NRC shall consider the following criteria regarding qualifications, positive attributes:

- (i) NRC shall ensure that due process of appointment, re-appointment and remuneration of Director(s)/ KMP(s)/ SMP(s) is followed as applicable under the Act and rules made thereunder or such other law as may be applicable from time to time.
- (ii) The Committee shall identify and ascertain the balance of skills, knowledge and experience integrity, leadership, business orientation, expertise, commitment and proven track record and such other attributes, of the person proposed to be appointed as Director(s)/ KMP(s)/ Senior Management Personnel, which in the opinion of the NRC are in the interest of the Company.
- (iii) in addition to the to a formal professional qualification, the proposed Director(s)/ KMP(s)/ SMP(s) should possess appropriate skills, experience and knowledge in one or more fields viz. CEO/ Senior Management Experience, General Management and Business Operations, Business Development, Strategy, M&A, Restructuring, Accounting, Finance, Legal, Risk Management, Public Policy, banking, finance, economics, law, management, sales, human resource, marketing, administration, research, corporate governance or technical operations etc., or such other skills as may be identified by the Board of Directors, on recommendation from NRC, from time to time.
- (iv) Ability of the candidates to devote sufficient time and attention to his professional obligations as Director for informed and balanced decision making.
- (v) Adherence to the prescribed criteria of Independence, if applicable, Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- (vi) Any person to be appointed as Director shall not possess any disqualifications as prescribed under the laws applicable to the Company.
- (vii) In case of appointment of Independent Director, in addition to selection criteria mentioned in the foregoing clauses, the NRC should assess the independence of the proposed director and ensure that his/ her name is included in the data bank maintained for this purpose as per Companies Act.

- (viii) Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through the Chairman, will interact with the new member to obtain his/ her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Act and Rules made thereunder.

Part B: remuneration Policy for Directors and KMPs and Senior Management

- (i) The Remuneration Policy of the Company shall ensure that:
 - (a) ensure that 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) ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) ensure that 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.
- (ii) While determining the remuneration and incentives for the MD / WTD, KMP's and SMPs, the following shall be considered:
 - (a) Pay and employment conditions with peers / elsewhere in the competitive market.
 - (b) Benchmarking with the industry practices. (*Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration*)
 - (c) Performance of the individual.
 - (d) Performance of the Company.
 - (e) pay structures shall be appropriately aligned across levels in the Company.
- (iii) The remuneration to Chairperson, if any, Managing Director or Chief Executive Officer or Manager, if any, and Executive Director(s) shall be recommended by NRC to the Board. The remuneration may consist of both fixed compensation and variable compensation and shall be paid as salary, performance bonus, stock options (where applicable), perquisites and fringe/retiral benefits as approved by the Board/ HR team and within the overall limits specified in the shareholders resolution, if any. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance.
- (iv) Pursuant to the provisions of Section 203 of the Act, the Board shall approve the terms and conditions of appointment including the remuneration of KMPs at the time of their appointment.

The appointment and remuneration of Key Managerial Personnel should be approved by the Board based on recommendation made by the NRC. The remuneration of KMPs may consist of both fixed compensation and variable compensation and shall be paid as salary,

performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board/ HR team. Any revision in the remuneration, in whatsoever form, of the KMPs shall be approved and recommended by NRC to the Board for approval. The remuneration shall be consistent with the Competitive position of the salary for similar positions in the industry and their qualifications, experience, roles and responsibilities.

- (v) All remuneration, in whatever form, payable to Senior Management Personnel of the Company shall be recommended by the NRC to the Board for its approval.
- (vi) Independent Director may receive remuneration by way of sittings fees for attending meetings of Board and/ or Committee thereof along with re-imbursement of certain expenses, if any, shall be as per the terms mutually agreed between the concerned Independent Director and the Company at the time of his/ her appointment and which forms part of the appointment letter issued by the Company to the concerned independent director. An Independent Director shall not be entitled to any stock option of the Company.
- (vii) In case the remuneration to be paid to any or all the Directors, KMPs is exceeding the monetary limit prescribed in the applicable provisions of the Act, approval of shareholders of the Company shall also be sought, in addition to the approval of Board.
- (viii) Remuneration to Directors, KMPs and SMPs shall be evaluated annually against performance of the Company and the performance appraisals, competency evaluation of the concerned Director/ KMP/ SMP.
- (ix) The Company may provide an insurance cover to Directors, KMPs and SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust and the premium paid on the same shall not be treated as a part of remuneration paid to them.

The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPs and SMPs.

Part C: performance evaluation of Directors and KMPs and Senior Management Personnel

Performance evaluation of Directors and KMPs and Senior Management Personnel shall be carried out as per the Policy on evaluation of performance of Board, its Committees, individual Directors KMPs and Senior Management Official(s) approved by the Board in this regard.

DISSEMINATION OF INFORMATION

- (i) Information on the total remuneration of the Company's Board of Directors, KMPs, Senior Management Personnel may be disclosed in the Board's Report, the Company's annual report/ financial statements as per the applicable regulatory requirements in this regard.
- (ii) This NRC Policy (*as amended from time to time*) shall be placed on the website of the company, and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's report.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and/ or on the recommendation of NRC Committee, may review and amend this NRC policy as and when required. Any or all provisions of CSR Policy would be subjected to revision/ amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time. Any changes in law shall be deemed to have been incorporated in this Policy and eligible/ applicable to the Company.