

NOMINATION AND REMUNERATION (NRC) POLICY OF
FINECONS LIMITED
(Formerly “Finecons Private Limited”)

POLICY ON NOMINATION AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

1. INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel ("KMP") and Senior management of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee in its meeting held on July 26, 2023 and approved by the Board of Directors in its meeting held on August 10, 2023.

The Nomination and Remuneration Policy ("Policy") is formulated in compliance with Section 178 of Companies Act, 2013 (the "Act") read with the applicable rules, as amended from time to time.

2. OBJECTIVES OF THE POLICY

The Objective of the Policy is to ensure that the Company retains the Key Managerial Personnel of the company and Senior Management Personnel.

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them to quality required to run the company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) 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.
- (d) To guide the Board in relation to appointment, retain and removal of Directors, Key Managerial Personnel and Senior Management;
- (e) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; and
- (f) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

3. DEFINITIONS

- (a) "Act" means the Companies Act, 2013.
- (b) "Board" means Board of Directors of the Company.
- (c) "Directors" means Directors of the Company.
- (d) "Committee" means Nomination and Remuneration Committee ("NRC") of the Company as constituted or reconstituted by the Board.
- (e) "Company" means Finecons Private Limited.
- (f) "Independent Director" means a director referred to Section 2 (47) read with Section 149 (6) of the Companies Act, 2013.
- (g) "Key Managerial Personnel" (KMP) means key managerial personnel as defined in Section 2 (51) of the Companies Act, 2013
- (h) "Officer" includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to Act;
- (i) "Policy" means Nomination and Remuneration Policy.
- (j) "Senior Management" means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including all functional heads.

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. APPLICABILITY

The policy is applicable to:

- (a) Directors (Executive and Non Executive);
- (b) Key Managerial Personnel; and
- (c) Senior Management Personnel.

5. COMPOSITION & QUORUM

- (a) The committee shall consist of 3 (Three) or more Non-Executive Directors out of which not less than one-half shall be Independent Director.
- (b) Minimum 2 (Two) members shall constitute a quorum for the Committee meeting.
- (c) Composition of the Committee shall be disclosed Board's Report in the Annual Report.
- (d) Terms of the Committee shall be continued unless terminated by the Board of Directors.
- (e) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6. CHAIRMAN

- (a) The Chairperson of the Committee shall be elected by the members of the Committee at its meeting.
- (b) The Chairperson of the Company may be appointed as a member of the Committee but shall not be Chair the Committee.
- (c) In the absence of the Chairperson, the members of the Committee present at the meeting shall elect one amongst themselves to act as the Chairperson.
- (d) The Chairperson of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETING

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

8. ROLE OF THE COMMITTEE

The Committee shall:

- (a) Formulate policy on criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (b) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- (c) Recommend to the Board relating to appointment, removal and remuneration payable to the Directors, Senior Management Personnel and Key Management Personnel;
- (d) Ensure there is devising policy on diversity of board of directors;
- (e) Recommend the Board about the extension or continuation of term of the Directors or KMP or Senior Management on the basis of performance evaluation;
- (f) For re-appointment of Independent Director ensure the cooling off period is satisfied as per Act;
- (g) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by NRC or by an independent external agency and review its implementation and compliance;
- (h) Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (i) Assist and advise the Board in overseeing succession planning for Directors, Senior Management Personnel and Key Management persons;
- (j) Recommend to the Board about their Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees; and

- (k) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.

9. APPOINTMENT AND REMOVAL

I. Directors

- a. The Committee shall evaluate the candidates for appointment and recommend to the Board based on current requirement, fitment, diversity, qualification, experience, expertise in the relevant areas of business, availability of candidate, personal traits as integrity, positive attributes, honesty, transparency and such other additional criteria as may be determined by the Board from time to time.
- b. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- c. The removal of Directors may be warranted due to reasons such as disqualification prescribed under the applicable laws and / or disciplinary reasons. In such situation, the Committee shall in consultation with the Board, review the performance and / or other factors and subject to the provisions of the applicable laws and the Articles of Association of the Company, recommend to the Board its course of action.
- d. The resultant vacancy caused by removal of Directors may be filled by the Committee in accordance with this policy and the applicable laws.

II. Key Management Personnel and Senior Managerial Personnel

- a. The Committee in consultation with Human Resource Department shall recommend to the Board for appointment of KMP's after considering necessary qualification, experience and expertise as required under applicable laws, rules and regulations.
- b. The MD/ WTDs / CEO in consultation with the human resource team of the Company shall be responsible and authorised to decide the requirement, desirable skills and experience for Senior Management Personnel.

10. REMUNERATION

I. Directors

The Committee shall recommend the remuneration of the Directors which shall be approved by the Board. The remuneration shall be subject to the approval of the shareholders of the Company, wherever required, under the applicable laws.

a. Managing Director (MD), Whole-Time Directors (WTD), Chief Executive Officer (CEO)

The remuneration (including revisions thereof) of MD/ WTD/ CEO shall comprise a mix of fixed remuneration and variable remuneration in the form of performance incentives. The performance incentives shall be based on the prevailing policy of the Company. Additionally, the MD / WTD / CEO may be entitled to employee stock options granted under any employee stock option plan / scheme(s) and such other long term incentive schemes of the Company, subject to provision of the applicable laws.

In case of inadequate profit, the remuneration payable to the MD / WTD shall be payable as per the provision of the Act, subject to the approval of shareholders.

b. Non-Executive Directors (“NED”) including Independent Directors

The remuneration (including revisions thereof) payable to the NED shall be in accordance with the ceiling limits and other conditions prescribed under the Act

NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration and recommend the same to the Board for approval.

The remuneration of NED shall comprise Commission and Sitting fees for attending each meeting of the Board and its Committees.

The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, industry benchmarks, role of the Director and such other relevant factors.

In case of inadequate profit, the remuneration payable to the NED's shall be payable as per the provisions of the Companies Act, 2013.

II. Senior Management

The Senior Management shall be paid remuneration as per the Company's HR and compensation policies subject to approval of the Board. The remuneration includes fixed, variable and other components including stock options, if any.

11. DISSEMINATION OF POLICY

This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.

12. AMENDMENT

Any alteration in the policy shall be done by the Committee and recommended to the Board for its approval.

Any or all provisions of the NRC Policy would be subject to revision / amendment from time to time.

The Company reserves the right to modify, cancel, add, or amend any of these Policy Rules.

Applicable provisions of the Companies Act, 2013, its Rules and amendments thereon shall be complied by the Company.

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