

**AVONMORE CAPITAL & MANAGEMENT SERVICES
LIMITED**

**NOMINATION & REMUNERATION POLICY
(Revised as on 13.02.2019)**

Avonmore Capital & Management Services Limited Nomination and Remuneration Policy

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) This policy has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

This policy shall act as a guideline for matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management

2. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Key Objectives of the Committee is to:

2.1. To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel.

2.2 To 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 shall carry out evaluation of every director's performance.

2.3 To 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 Senior Management.

2.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

2.5. To recommend to the Board on Remuneration payable to the Directors, Senior Management, Key Managerial Personnel.

2.6. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

2.7. To devise a policy on Board diversity

2.8. To develop a succession plan for the Board and to regularly review the plan;

3. DEFINITIONS

3.1. Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

3.2. Board means Board of Directors of the Company.

3.3. Directors mean Directors of the Company.

3.4 "Independent Director" means a director who satisfies the criteria of Independence as per Section 149(6) of the Act and Regulation 16(b) of the Listing Regulations.

3.5 "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 including any amendments thereto.

3.6 "Nomination and Remuneration Committee or NRC" means a Committee of the Board of Directors of the Company constituted in accordance with Section 178 of the Act and relevant provisions of the Listing Regulations.

3.7. Key Managerial Personnel (KMP) means

a. Chief Executive Officer or the Managing Director or the Manager;

b. Whole-time director;

c. Chief Financial Officer;

d. Company Secretary;

and such other persons who may be considered to be KMP under the Companies Act, 2013 or as may be identified by the Board.

3.8 "Senior Management" shall mean officers/personnel of Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

4. Constitution of the "Nomination & Remuneration Committee:

The Board has constituted the "Nomination and Remuneration Committee" of the Board on 28.05.2014. The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company's policies and applicable statutory requirements.

5. POLICY FOR APPOINTMENT, TENURE, EVALUATION AND REMOVAL OF DIRECTOR AND KMP

5.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP.

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.

5.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive 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, 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

-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.

an Independent Director shall satisfy criteria of Independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations and shall give declaration that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his / her duties with an objective independent judgment and without any external influence. The NRC and the Board shall assess veracity of the said declaration and determine whether the directors are independent of the management

The Company shall provide suitable training to independent directors to familiarize them with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. The details of such training imparted shall be disclosed in the Annual Report

5.3. Evaluation

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

a. Criteria for evaluating Board members: Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non- independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b. Criteria for evaluating performance of Key Managerial Personnel Criteria for evaluating performance of KMP shall be as per the HR Guideline of the Company.

5.4. Removal Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

6 POLICY FOR REMUNERATION TO DIRECTORS , KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES:

6.1 Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Wholetime 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 and the Central Government, as the case may be.

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 / Whole-time Directors.

6. 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.

6. 3 Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management 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.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management to be decided annually or at such intervals as may be considered appropriate.

7. DISSEMINATION

The details of the Policy and the evaluation criteria as applicable shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.