

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

NOMINATION AND REMUNERATION POLICY

Finquest Financial Solutions Private Limited
 CIN: U74140MH2004PTC146715
 Registered Address: 602, Boston House,
 6th Floor, Suren Road, Andheri (E),
 Mumbai-400093
 Email Id: hpatel@finquestonline.com

Version control:

Particulars	Date	Version No.
Adopted in the Board Meeting held on	02/02/2017	V. 1
Revision in the Board Meeting held on	19/04/2022	V. 2

NOMINATION AND REMUNERATION POLICY

1. Definitions:

In this Policy unless the context otherwise requires:

1. "Act" means Companies Act, 2013 and rules thereunder
2. "Board of Directors" or "Board", in relation to the Company, means the collective body of the directors of the Company
3. "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
4. "Company" means **Finquest Financial Solutions Private Limited**
5. "Directors" means Directors of the Company
6. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013
7. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act,1961;
8. "Key Managerial Personnel" means:
 - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - ii) Chief Financial Officer;
 - iii) Company Secretary; and
 - iv) such other officer as may be prescribed.
9. "Ministry" means the Ministry of Corporate Affairs
10. "Regulations" refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy
11. "Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, 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.

2. Objectives:

The objective of the policy is to ensure that

1. 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;
2. The Relationship of remuneration to performance is clear and meets appropriate performance bench marks; and
3. The Remuneration to directors, key managerial personnel (KMP), senior management and other employees of the Company involves balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

3. Role Of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration in accordance with the criteria laid down in this policy.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
- To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Succession planning for replacing Key Executives and overseeing.
- To 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.

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on March 31, 2015.

4. Guiding Principles for Constitution of Nomination and Remuneration Committee:

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 Committee will meet at such intervals as deems fit to carry out the objectives set out in the Policy. A quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. 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.

5. Appointment And Removal of Director, Key Managerial Personnel And Senior Management:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the position.
- The Company shall not appoint or continue the employment of any person as 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 shareholders by passing a special resolution.

6. 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 of up to maximum of 5 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 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.

7. Evaluation:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

8. Training:

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.

9. Removal:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

10. Retirement:

The Director, 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, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11. Policy For Remuneration to Directors/KMP/Senior Management Personnel:

- 1) Remuneration to Managing Director / Whole-time Directors:
 - 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 / Whole-time Directors.
- 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.

- e. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

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 Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c) 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.
- d) 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.

12. Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.