

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of STCI Primary Dealer Limited (“the Company”) has been prepared in accordance with the requirements of the Companies Act, 2013, (“Act”) read along with the rules thereto, if any applicable. The Nomination and Remuneration Committee has been formed in line with the requirements of the Companies Act, 2013 read along with the rules thereto and as stipulated by the Reserve Bank of India (RBI) for NBFC’s.

1. OBJECTIVE

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management

2. DEFINITIONS

(a) Key Managerial Personnel

Key Managerial Personnel means—

- (i) Chief Executive Officer or the Managing Director or the Manager
- (ii) Deputy Managing Director
- (iii) Whole-time director
- (iv) Chief Financial Officer
- (v) Company secretary
- (vi) Such other officer as may be prescribed

(b) Senior Management

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.

3. MEMBERSHIP

- a) The Committee shall consist of minimum three (3) or more non-executive directors, majority of them being independent
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting

4. CHAIRPERSON

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5. ROLE OF COMMITTEE

The role of the Committee inter alia will be the following:

- a) to identify persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board their appointment
- b) to recommend removal of Director(s) and/or Senior Management personnel, if considered appropriate
- c) to formulate a criteria for determining qualifications, positive attributes and Independence of a Director
- d) to recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management employees
- e) to recommend to the Board the appointment and removal of Senior Management
- f) to carry out evaluation of Director's performance and recommend to the Board appointment /removal based on his/her performance
- g) to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- h) to devise a policy on Board diversity
- i) to develop a succession plan for the Board and to regularly review the plan
- j) to review the HR Policies, Manuals, timely review of salary structure, PLVP structure and scheme to adhere to the industry practice
- k) Any other matter, as required to be performed under the Act or as may be delegated by the Board of Directors

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS INTERESTS

- a) A member of the Committee shall not be entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. DUTIES OF COMMITTEE

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

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its 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 Companies Act, 2013
- 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 and regularly reviewing the plan
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective
- Recommending to the Board any matters pertaining to the office of Director including but not limited to appointment, termination, etc.
- Recommending to the Board the termination of service of an Executive Director as an employee of the Company subject to the provision of the law and the service contract, if any
- Recommend any necessary changes to the Board
- Considering any other matters as may be requested by the Board
- 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 all elements of the remuneration of the members of the Board

- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company
- to delegate any of its powers to one or more of its members of the Committee
- to consider any other matters as may be requested by the Board
- Professional indemnity and liability insurance for Directors and senior management
- Any other matter, as required under the Act or as may be delegated by the Board of Directors

9. MINUTES OF COMMITTEE MEETING

- Proceedings of all meetings shall be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings shall be tabled at the Board and Committee meeting.