

NANAVATI VENTURES LIMITED

NOMINATION AND REMUNERATION POLICY

Constituted Date: 26th October, 2020

Last Amendment Date: 26th October, 2020

RECOMMENDED BY: Nomination and Remuneration Committee

APPROVED BY: Board of Directors

Nomination and Remuneration Policy

NOMINATION AND REMUNERATION POLICY

PREAMBLE

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board and is in compliance with the requirements of the section 178 Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015 ("Regulations").

The Board of Directors (the "Board") of Nanavati Ventures Limited (the "Company"), has adopted the following policy and procedures with regard to Nomination and Remuneration as defined below. The Nomination and Remuneration Committee may, from time to time, review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time

Objectives:

The Policy lays down the:

- i. Criteria for determining qualifications, competencies, positive attributes and independence (wherever applicable) of Directors for their appointment on the Board of the Company;
- ii. Criteria for payment of remuneration to Directors, Key Managerial Personnel and other Employees.

Definitions:

- i. "**Board**" means Board of Directors of the Company.
- ii. "**Company**" means "Nanavati Ventures Limited."
- iii. "**Employees' Stock Option**" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- iv. "**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- v. "**Key Managerial Personnel**" (KMP) means a key managerial personnel as defined under

Section 2(51) of the Companies Act, 2013, as may be amended from time to time.

- vi. "**Committee**" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Regulations.
- vii. "**Policy**" or "This Policy" means, "Nomination and Remuneration "Policy."
- viii. "**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.
- ix. "**Senior Management**" means, personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

Interpretation:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, and Regulations, as notified by the Securities and Exchange Board of India from time to time.

Appointment and Removal of Managerial Person, Director, Key Management Personnel and Senior Management

i. Appointment criteria and qualifications:

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
- b. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

ii. Term / Tenure:

- a. The Company shall appoint or re-appoint a person as its Managerial Person by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.
- b. 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. Term can be for a maximum period of five years. 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.

- c. 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/ Managing Director of a listed company .
- d. A Director shall not be a member in more than ten Committees or act as Chairperson of more than five committees across all listed entities. (For the purpose of determination of limit, Chairpersonship and membership of the audit Committee and Stakeholders' Relationship Committee alone shall be considered.)

iii. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

iv. Retirement:

The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

v. Disqualifications for Appointment of Directors: Pursuant to section 164 of the Companies Act, 2013

- e. A person shall not be eligible for appointment as director of the company if:
 - i. he is of unsound mind and stands so declared by a competent court;
 - ii. he is un-discharged insolvent;

- iii. he has applied to be adjudicated as an insolvent and his application is pending;
- iv. he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- v. an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;
- vi. he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
- vii. he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years;
- viii. he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.
- ix. A person who has been a Director of the company which:
 - a) has not filed financial statements or annual returns for any continuous period of three financial years; or
 - b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the company fails to do so.

A person shall not be eligible for appointment and continuance as a Director, if he / she is not found 'fit and proper' as per criteria laid down by the Company.

Remuneration Policy:

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Remuneration Policy of Company is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management, including its Key Managerial Person and the Board of Directors. The policy captures remuneration strategies, policies and practices of Company, including compensation and the process for the measurement and assessment of employee and executive performance. The remuneration / compensation / commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

Remuneration Strategy for Employees at Company:

The Company adopts a total compensation philosophy in rewarding employees. The Total compensation package for the employees comprises of Fixed Component currently. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. The level of Total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the Total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives. The strategy is in consonance with the existing industry practice and directed towards rewarding performance, based on review of achievements, on a periodical basis.

Remuneration of Key Management Personnel:

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and with due consideration to law and corporate governance principles. Remuneration of the Key Management Personnel consists of a fixed component currently and may have variable performance incentive going forward. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's).

Remuneration of Non-executive Directors including Independent Directors: The Committee can review and recommend to the Board of the Company, as and when required, paying sitting fees to the Non-Executive Directors as per applicable norms. An Independent Director shall not be entitled to any Stock Options of the Company.

Deviations from the Policy:

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Amendments:

The Policy may be reviewed by the Board of the Company, from time to time, on the recommendation of the Nomination & Remuneration Committee of the Board.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
