

# **A.TREDS Limited**

## **Nomination & Remuneration Policy**

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## Version Control

Version	Date	Description
1.0	27.10.2016	Document created
2.0	02.01.2019	<p><b><u>Amendment to the NRC Policy</u></b></p> <p><b>Para # 4</b> Addition of Senior Managerial Personnel under the Applicability clause.</p> <p><b>Para # 5.2 &amp; 5.3 – Role of Committee</b> Employees are excluded and inclusion of Key Managerial Personnel and Senior Managerial Personnel.</p> <p><b>Para # 10 – Authorization Schedule</b> Since the Directors named in the Authorization Schedule have resigned from their role, the clause is amended and accordingly an Authorization Schedule has been drafted</p>

Description	Name	Designation	Date
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**1. INTRODUCTION:**

The Board of Directors of A.TREDS Limited (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on 27<sup>th</sup> October, 2016 with immediate effect, consisting of four (4) Directors comprising 2 (two) Independent Directors on the Board, 1 (one) Director appointed by the Axis Bank Limited and 1 (one) Director appointed by the Mjunction Services Limited.

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and other employees has been reviewed by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**2. DEFINITIONS:**

“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;

“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.

“Senior Managerial Personnel” mean the personnel of the company who are Managing Director & Chief Executive Officer, Chief Financial Officer, Company Secretary, Chief Operating Officer and Department/Functional heads reporting to Managing Director & CEO of the Company.

**3. OBJECTIVE:**

The objective of the policy is to ensure that

- i) 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;
- ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- iii) 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.

**4. APPLICABILITY:**

The Policy shall be applicable to:

- i) Directors (Executive and Non-Executive),
- ii) Key Managerial Personnel
- iii) Senior Managerial Personnel
- iv) Other Employees of the Company

**5. ROLE OF THE COMMITTEE:**

The role of the Nomination and Remuneration Committee will be the following:

- i) To review the remuneration policy of the Company
- ii) To decide the remuneration package for Directors, Key Managerial Personnel and Senior Managerial Personnel which includes salary, benefits, bonuses, pension and employee stock options.
- iii) To review termination packages for Directors, Key Managerial Personnel and Senior Managerial Personnel, in excess of 1 (one) year's total remuneration for the concerned employee or Director on a cost to company basis;
- iv) To undertake a process of due diligence to determine the suitability of any person for appointment/continuing to hold appointment as a director (including Independent Director) on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper criteria' specified by RBI or the Board.
- v) 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.
- vi) To carry out evaluation of Director's performance.
- vii) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

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

**6. FREQUENCY OF MEETINGS:**

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

**7. APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

- i) The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management.
- ii) The Committee shall ascertain the qualifications, expertise and experience of the persons to be appointed as Directors, Key Managerial Personnel and Senior Management and recommend their appointment to the Board of Directors.
- iii) The decision of the Board of Directors based on the recommendation of the Committee shall be final.
- iv) The appointment including tenure of Directors and Key Managerial Personnel shall be as per the provisions of Companies Act, 2013, and other relevant laws.
- v) The Committee shall evaluate the performance of Directors on a yearly basis and recommend their removal to the Board, if required.

**8. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES:**

- i) The remuneration payable to the Managing Director & CEO and Whole Time Directors shall be as per the provisions of the Companies Act, 2013 and other relevant provisions.
- ii) The remuneration payable to Key Managerial Personnel and Senior Management shall be approved by the Committee on case to case basis.
- iii) The increments to the existing remuneration structure
  - a) In relation to Board of Directors shall be based on the evaluation of performance
  - b) In relation to Key Managerial Personnel and Senior Management shall be approved by the Committee based on the recommendation of the Managing Director & CEO.

- c) In relation to others shall be approved by the Managing Director & CEO based on the market conditions, performance of the company and other relevant factors from time to time.

#### **9. REMUNERATION TO INDEPENDENT DIRECTORS:**

The Independent Directors of the Company shall only be paid sitting fees (as determined by the Board from time to time) for attending Board/ Committee meetings apart from reimbursement of expenses incurred for attending the meetings.

#### **10. AUTHORIZATION SCHEDULE:**

Any special compensation interventions at a company level to be approved as per the authorization schedule appended herewith.

#### **11. REVIEW:**

This Policy shall be reviewed by the Nomination & Remuneration Committee pursuant to any changes to the applicable provisions of the, Companies Act, 2013, Rules made thereunder or as deemed appropriate.

Any amendment to this Policy would be subject to its review by the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company.

#### **12. DISCLOSURES:**

The details of remuneration paid to the Directors and other employees of the Company, in terms of this Policy shall be made as per the relevant provisions of the Companies Act, 2013 and other applicable laws.

#### **AUTHORIZATION SCHEDULE**

	<b>Recommended by</b>	<b>Approved by</b>
All employees other than Senior Managerial Personnel, Key Managerial Personnel & Directors	Department Head & HR - Head	MD & CEO
Senior Managerial Personnel, Chief Financial Officer & Company Secretary	MD & CEO	NRC
MD & CEO	Head – HR	NRC & Board