

**PRUDENT CORPORATE ADVISORY
SERVICES LIMITED**

Registered Office: "Prudent House", Panjrapole Cross Road, Nr. Polytechnic, Ambawadi, Ahmedabad -
380015, Gujarat, India.

Tel: +91-79 4020 9600; website: www.prudentcorporate.com

**Nomination and Remuneration
Policy**

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1. INTRODUCTION

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- *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;*
- *relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- *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.*

2. DEFINITIONS

- (i). **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- (ii). **“Board”** shall mean the board of directors of the Company.
- (iii). **“Company”** shall mean Prudent Corporate Advisory Services Limited.
- (iv). **“Executive Director”** means the Managing Director, Whole-time Director, as the case may be and includes Directors who are in the full time employment of the Company.
- (v). **“KMPs”** or **“Key Managerial Personnel”** shall have the same meaning as in Section 2 (51) of the Act.
- (vi). **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (vii). **“Nomination and Remuneration Committee”** shall mean the committee of the Board constituted, or reconstituted, as the case may be, in accordance with Section 178 of the Act and the Listing Regulations.
- (viii). **“Policy”** shall mean this nomination and remuneration policy.
- (ix). **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and 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 a part of the board) and shall specifically include company secretary and chief financial officer.
- (x). **“Stock Exchange”** shall mean a recognised stock exchange on which the securities of the Company are listed.

The words and expressions used in this policy not defined herein above will have the same meaning as defined in the Act and Listing Regulations.

3. OBJECTIVE

This Policy is intended to achieve the following objectives:

- a) to ensure compliance with Section 178 of the Act and provisions of Listing Regulations and to lay down a framework in relation to remuneration of Directors, KMP and Senior Management of the Company.
- b) to lays down criteria for recommending the appointment and removal of Board Members (Independent Directors, Non-Executive Directors and Executive Directors) Key Managerial Personnel and Senior Management.
- c) To provide framework for remuneration of the Directors, Key Managerial Personnel Senior Management Personnel and other employees and align with the Company's business strategies, values, key priorities and goals.
- d) To lay down approach for Board diversity.

4. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

The Committee shall identify:

- a) Persons who possess adequate qualifications, expertise and experience for the position he / she is considered to be appointed. The person should have knowledge of at least one or more domain areas like, finance, law, management, sales, marketing, administration, research, governance, strategy, operations or other disciplines related to the Company's business.
- b) Person shall uphold ethical integrity, have a pedigree of acting objectively, shall have no adverse order(s) passed by any Regulatory body, should have a proven track-record of meeting professional obligations including a reputation to manage challenges.
- c) An Independent Director should meet with requirements of the Act read with Schedule IV of the Act and provisions of the Listing Regulations.
- d) An Independent Director shall hold office for a term upto 5 consecutive years and will be eligible for re-appointment on passing of a special resolution by the Company and following the procedure under the Act / Listing Regulations.
- e) No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each. In the event the same person is to be appointed as an Independent Director after two consecutive terms of two years, a cooling period of 3 years is required to be fulfilled.

5. CRITERIA FOR APPOINTMENT OF KMP / SENIOR MANAGEMENT PERSONNEL AND PERFORMANCE EVALUATION

- a) The Company has a well-defined and structured recruitment process for Key Managerial Personnel and Senior Management. The Vice President – Human Resources is entrusted with this function and reports to the Chairman and Managing Director of the Company.
- b) The appointment of KMP and Senior Management shall be approved by the Board on prior recommendation of the Nomination and Remuneration Committee.
- c) The management considers various factors while evaluating a person for appointment as senior management including individual's background, business acumen, analytical abilities, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. Marketing, technology, finance or such other discipline relevant to present and prospective operations of the Company;
- d) The appointee while continuing in his / her office shall not engage in any business or commercial activity, which might detrimentally conflict with the interest of the Company.
- e) The KMP and Senior Management shall have a well-defined appraisal and performance evaluation framework. The evaluation process shall be monitored by Vice President - Human Resource Department of the Company and approved by the Chairman and Managing Director.

6. TERM OF EXECUTIVE DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

The Company shall appoint or re-appoint Executive Directors 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 of the concerned Executive Director.

Directors, KMPs and Senior Management shall retire as per the applicable provisions of the Act and the prevailing Company policy. In the event any Director, KMP and Senior Management attracts any disqualification mentioned in the Act or under any Law, the Committee may recommend to the Board the removal of the said Director, KMP or Senior Management.

7. REMUNERATION TO DIRECTORS / KMP (NON-BOARD AND OTHER THAN SENIOR MANAGEMENT) / SENIOR MANAGEMENT AND OTHER EMPLOYEES

➤ **Remuneration to Directors**

- a) Executive Directors

The remuneration to the Executive Directors shall be governed by the provisions of the Act, Listing Regulations or any other enactment for the time being in force. The remuneration shall take into account the Company's Standalone and Consolidated performance, the contribution of the Executive Directors for the same, remuneration trends in general, meeting of appropriate benchmarks (such as remuneration paid in like-size companies) and which will ensure and support a high performance culture.

b) Non-Executive Directors

The Non-Executive Directors and Independent Directors will receive sitting fees / commission as per the provisions of the Act and in compliance with the provisions of the Listing Regulations. The amount of the sitting fees will not exceed the ceiling / limit under the Act. An Independent Director will not be eligible to any stock option of the Company.

The Board of Directors will from time-to-time fix the sitting fees for attending the meetings of the Board and its Committees on the recommendations of the Committee.

In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

The remuneration payable to the Directors (both Executive and Non-Executive Directors) shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

➤ **Remuneration to Key Managerial Personnel, Senior Management and Other Employees**

- a) The Nomination and Remuneration Committee shall recommend a remuneration policy for the evaluation of the performance and remuneration of Key Managerial Personnel (except WTD/MD) , Senior Management and other employees of the Company.
- b) The Nomination and Remuneration Committee while recommending such a policy shall consider the criteria like industry practice, qualification, experience, merits, performance of each employee, Company performance etc.
- c) The Nomination and Remuneration Committee shall recommend to the Board, compensation and incentive based compensation as well as employees stock option scheme, employee stock option plan of Key Managerial Personnel, Senior Management and other employees of the Company based on their evaluation of performance. The Company may provide loan and advances to its employees as per its internal policy as amended from time to time.

8. BOARD DIVERSITY

- a) The Company acknowledges the importance of diversity within the Board and the Committee is fully committed to ensure that a transparent board nomination process is in place which is based on merit and that encourages diversity of thought, experience, background, knowledge, ethnicity, perspective, age and gender.
- b) The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that woman with the right skills and experience can play in contributing to diversity of perspective in the Boardroom;
- c) The Committee shall ensure that the Company has an appropriate blend of functional and industry expertise;
- d) The Committee shall monitor and periodically review the Board Diversity and recommend to the Board any changes so as to improve one or more aspects of its diversity and measure progress accordingly.

9. POLICY REVIEW AND AMENDMENTS

The Board and/or its Committees reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with applicable law issued by relevant statutory, regulatory or governmental authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.
