



PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED

NOMINATION AND REMUNERATION POLICY

Preamble:

The company strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment in line with its' values and business principles as reflected in its' 'Vision and Mission' statement. This policy covers the remuneration for members of the Board and the company's executives together with other terms of employment.

The objective:

The object of this remuneration policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of the company's stakeholders.

1. Nomination and Remuneration Committee:

The Committee's constitution and terms of reference is in compliance with provisions of Section 178 of the Companies Act, 2013.

The Board of Directors constitute a Nomination and Remuneration Committee consisting of three members of the Board of Directors majority of who are independent. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and the senior management personnel, who may be appointed in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.

The committee shall work in accordance with a special mandate of the Board. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director from time to time. The Committee shall also carry out evaluation of every director's performance.

The Nomination and Remuneration Committee shall be advisory to the Board of Directors regarding remuneration payable to the members of the Board and terms of employment for the executives of the company and in formulating a Remuneration policy. The committee shall also supervise that the terms of employment of employees are in line with the Remuneration Policy.



PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED

The details of composition of the Nomination and Remuneration Committee along with attendance of the Committee Members at the meetings held during the year shall be disclosed in the Annual Report of the company.

2. Remuneration of the Board of Directors

The Promoter Directors are not paid any salary or commission. The whole-time director shall be paid a monthly salary and any other benefits as decided by the Annual General Meeting, as per provisions of the Companies Act, 2013. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Key Managerial Personnel of the quality required to run the company successfully.

Remuneration payable to the members of the Board, shall take into account the time spent by the Board Members on their duties, their responsibilities, as well as the operational and economical performance of the Company. Additional payments may be effected to individual Board members for specific projects which cannot be classified as ordinary tasks and as well to the members of the Sub-Committees of the Board, as per provisions of the Companies Act, 2013. Payments for such tasks shall be subject to approval by the Board. 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.

The Company shall indemnify for the Board of Directors and the Key Managerial Personnel for all claims that may eventually be made against them, connected to their work on behalf of the Company by taking a Directors' and Officers' Liability Insurance Policy.

3. Senior Executives –Terms of employment

3.1 Remuneration: The remuneration shall be fixed considering the educational qualifications, work experience, previous employment, remuneration paid to similar positions by companies in the peer group.. Details of remuneration and other benefits, as well as terms of notice, shall be mentioned in the employment contract. Ex-gratia and stock incentives if any shall also be included in the employment contract, as specified in the Remuneration Policy.

When stipulating the period of notice for termination of the employment contract, the period may be directly related to the nature or duration of the employment of the Senior Executives. The employment contract shall also stipulate the terms of notice.



PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED

Senior Executives shall also be considered for sanction of an appropriate annual increment and or other benefits based on evaluation of their performance in well defined Key Result Areas (KRAs) vis a vis the performance of the company. Likewise, they shall also be considered for promotion to a higher grade at appropriate time intervals. The employment contract should include and stipulate all payments due to the Senior Executives upon termination of the contract.

3.2 Other benefits: The employees may be paid ex-gratia and or other incentives, based on specific plans prepared by the Nomination and Remuneration Committee and the Board of Directors. Incentives shall be directly related to the work performance of the individual employees, their position and responsibility, the performance of the company, achievements vis a vis the targets, etc. Such incentives shall be paid to employees who are still working for the Company or when the incentives are due for payment for the period of service rendered.

3.3 Guiding principles for remuneration and other terms of employment:

The Nomination and Remuneration Committee considers

- a) The financial position and profitability of the company;
- b) Nature and responsibility of the financial position and
- c) Remuneration packages prevailing in industry or other comparable organizations in regard to the size and complexity of operations.

The annual report of the company shall set out details of the total remuneration and benefits allowed to the Senior Executives drawing a total remuneration of above Rs. 60 Lakhs per annum or such higher sum stipulated under the Companies Act, 2013.

3.4 The Principal terms of non-monetary benefits, superannuation, notice of termination and severance pay

i) Non –monetary benefits:

The executives may be provided customary non-monetary benefits such as company cars and company health care or medical allowance. In addition thereto in individual cases company housing and other benefits may also be offered.



PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED

ii) Long Term Incentives:

Long Term Incentives (“LTI’s”) may be provided to certain senior executives and eligible employees to reward creation of shareholder value and to create further value as well as to attract and retain executives.

The company believes that the most significant value that can be created for shareholders will occur by way of Senior Executives’ delivering on the strategic outcomes and goals set by the Board from time to time.

4. Additional provisions:

In addition to the main conditions of employment, a number of additional provisions apply to members of the Board. These additional arrangements, such as expense and relocation allowances, medical insurance, accident insurance and company car arrangements are broadly in line with those of other competitive companies. They also benefit from coverage under the Company’s Directors and Officers (D&O) policies. The company policy forbids personal loans to Non-Executive Directors and the loans to Working Directors would be as permitted by the Companies Act, 2013.

5. The Board of Directors may deviate from this Policy if there are reasons to do so in individual cases.
6. The Nomination and Remuneration Committee shall 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 and to perform such other functions as may be necessary or appropriate in discharge of its duties.
