NOMINATION & REMUNERATION POLICY

1. INTRODUCTION:

The Board of Directors ("Board") of Ashika Stock Services Limited ("Company") constituted the Nomination and Remuneration Committee ("NRC/the Committee"), and the same is re-constituted from time to time.

In compliance with the requirements set out under Section 178 of the Companies Act, 2013 ("the Act"), read with The Companies (Meetings of Board and its Powers) Rules, 2014, the NRC has formulated this Nomination and Remuneration Policy ("Policy") in order to set out principles, parameters and governance framework of the Appointment, re-appointment and Remuneration for Directors, Key Management Personnel, Senior Management and other employees of the Company.

2. PURPOSE:

The remuneration policy of **Ashika Stock Services Limited (Formerly, Ashika Stock Broking Limited) (ASSL)** was laid down to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation. The purpose is to have a remuneration policy that is consistent with and is aligned with the company's strategy, values and goals and the interests of customers and investors. It also provides support in handling the nomination and remuneration proposals for the Board members, Key Managerial Personnel and Senior Management Personnel. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other senior employees keeping in view the following objectives:

2.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the persons to run the company successfully.

2.1.2 Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2.1.3 Ensuring that 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.

3. SCOPE AND EXCLUSION:

3.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other senior employees of the Company.

4. TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

4.1 **"Director"** as defined under Section 2(34) of Companies Act, 2013, means a director appointed to the Board of the Company.

4.2 **"Key Managerial Personnel"** as defined under Section 2(51) of Companies Act, 2013, in relation to a company means-
(i) The Chief Executive Officer or the Managing Director or the Manager;
(ii) The Company Secretary;
(iii) The Whole-time Director;

(iv) The Chief Financial Officer; and
(v) Such other officer, not more than one level below the directors who is in whole- time employment, designated as key managerial personnel by the Board; and
(vi) Such other officer as may be prescribed;

4.3 "**Senior Management**" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.]

4.4 **"Nomination and Remuneration Committee"** means the committee constituted by ASSL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

4.5**.** The composition of the Nomination and Remuneration Committee of the Board may be reconstituted from time to time as the Board may decide.

5. CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE: ('COMMITTEE')

5.1 The committee shall consist of a minimum of 3 non-executive directors of which at least one-half of them shall be independent directors.

5.2 The Chairperson of the company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such committee.

Proceedings of all meetings must be recorded in the minutes and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting for confirmation.

The meeting of the Committee shall be held at least once in a financial year.

6. ROLE OF THE COMMITTEE

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

a) Formulate criteria to identify individuals who may become Director and who may be appointed in key managerial level or senior management level of the Company and recommend to the Board of such appointments and removal.

b) Removal should be strictly in compliance with applicable laws and on principles of natural justice.

c) Carry out performance evaluation of Board, its committees and individual directors.

d) Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

e) Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and Senior Management. The Policy shall be referred as Nomination and Remuneration policy.

f) To recommend to the Board on remuneration payable to the Directors, KMP and Senior Management.

g) To decide on any other amount payable to the Directors, key managerial personnel and senior management persons within the prescribed limit and as approved by the shareholders of the Company.

h) To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

i) To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors.

j) To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director, in case of appointment of an Independent Director.

k) To 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 such other powers to be exercised by the NRC pursuant to circulars, notifications issued by Statutory & Regulatory Authorities from time to time.

7. APPOINTMENT CRITERIA:

7.1.1 QUALIFICATIONS:

- The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment, re-appointment and removal.

- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who is below the age of twenty-one or has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the Shareholders by passing a Special Resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

7.1.2 POSITIVE ATTRIBUTES FOR DIRECTORS:

- A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity and values of the Company; act objectively and constructively; ability to handle conflict constructively; exercise his responsibilities in a bona-fide manner in the best interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company.
- Assists in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Assists in protecting legitimate interests of the Company, its shareholders and employees.
- An Independent Director should meet 'Independence' criteria laid down under the Companies Act, 2013.

7.1.3 POSITIVE ATTRIBUTES FOR KMP/SENIOR MANAGEMENT

- A person of high ethical standards of integrity and probity; qualification, expertise and experience to effectively discharge his duties and responsibilities in the best interests of the Company.
- Practices and encourages professionalism and transparent working environment
- Builds team and carries the team along for achieving goals of the Company
- Adheres to the Code of Conduct of the Company

7.1.4 Term/Tenure:

1. **Managing Director/Whole-time Director/Manager ("Managerial Person"):**
   - The Company shall appoint or re-appoint any person as its Managerial Person 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.

2. **Independent Director:**
   - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment shall be made in the Board's Report of the Company.

   - 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.

   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.

8. REMOVAL:

Due to reasons for any disqualification mentioned in the Act, the Rules made thereunder or under any other applicable provisions of the Act, Rules and Regulations, the NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and Regulations.

9. EVALUATION :

The NRC shall carry out evaluation of performance of Board, its committees and individual Directors at regular interval (yearly) or as and when required.

10. RETIREMENT:

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

11. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT:

11.1. General Principles

The remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees shall be fair, reasonable and sufficient to attract, retain and motivate competent professionals required for the successful conduct of the Company's business.

The remuneration structure shall have due regard to:

- responsibilities of the position;
- qualifications, experience and expertise;
- individual performance;
- Company's performance;
- industry practices; and
- long-term interests of the Company.

The Nomination and Remuneration Committee shall recommend to the Board the remuneration policy in accordance with Section 178 of the Companies Act, 2013.

11.2. Remuneration to Directors :

The remuneration payable to Managing Director or Whole-time Director shall be determined by the Board on the recommendation of the Nomination and Remuneration Committee and shall be subject to the provisions of the Companies Act, 2013 and approval of the shareholders, wherever required.

The remuneration payable to Non-Executive Directors shall be governed by the applicable provisions of the Companies Act, 2013 and shall be approved by the Board and shareholders, wherever applicable.

Non-Executive Directors may be or may not be paid sitting fees, for attending the meetings of the Board and the Committees thereof as per the policy of the Company.

Provision for excess remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act. If any Managerial Person draws or receives, directly or indirectly by way of remuneration, any such sums in excess of the limits prescribed under the Act or without such approval, wherever required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

Provided that the Company may waive the recovery of any sum refundable to it after passing of the Special Resolution within two years from the date the sum becomes refundable.

11.3 Remuneration of Key Managerial Personnel and Senior Management Personnel

The remuneration of Key Managerial Personnel/Senior Management Personnel shall be determined in accordance with the remuneration policy approved by the Board based on the recommendation of the Nomination and Remuneration Committee.

- within the approved remuneration policy;
- within the approved annual budget; and
- in accordance with the Company's performance appraisal process.

Any appointment, revision outside the approved remuneration framework or any matter requiring approval under the Companies Act, 2013 shall be placed before the Nomination and Remuneration Committee and the Board.
Any exceptional remuneration or deviation from the approved remuneration policy shall require recommendation of the Nomination and Remuneration Committee and approval of the Board.

11.4 Other Employees

The remuneration, increments, promotions and other service conditions of employees other than Directors, KMP and Senior Management shall be governed by the Human Resource Policy and shall be approved by the management in accordance with the authority delegated by the Board.

12. GUIDING PRINCIPLES

The Policy ensures that:

- 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 between remuneration and performance is clear and meets appropriate performance benchmarks; and

- The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior employee involves a balance between fixed and variable including allowances, perquisites etc.

No director/KMP/other employee should be involved in deciding his or her own remuneration.

13. DEVIATIONS FROM THIS 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

14. REVIEW/REVISION OF THE POLICY

If at any point a conflict of interpretation/information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and amend this Policy, as and when required or to meet the requirements of the extant Regulations

The update policy be uploaded on website of the company www.ashikagroup.com

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