



## **DIVYA CAPITAL ONE PRIVATE LIMITED**

### **Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other employees**

#### **Introduction**

In terms of Section 178 of the Companies Act, 2013, the policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The following matters of provisions of the Companies Act, 2013 have been included and considered while formulating the Remuneration Policy for the Company.

- (a)** Criteria determining the qualifications, positive attributes and independence of a Director.
- (b)** Appointment and removal of Directors, Key Managerial Personnel, Senior Management.
- (c)** Remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees.
- (d)** Evaluation of performance of the Directors of the Company.
- (e)** Scope and Role of the Nomination and Remuneration Committee
- (f)** Disclosures in the Directors' Report

#### **Objectives**

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

## **Remuneration Policy**

### **Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and other Executive Directors. This will be then approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to non-executive directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Whole-time Director. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and shareholders.

The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.

### **Key Managerial Personnel and Other Employees**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades, qualification & experience / merits, performance of each employee.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

## **Criteria for identification of persons for Appointment as Director & in Senior Management**

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee is required to formulate the criteria for determining the qualification, positive attribute and independence of a Director.

The criteria adopted by the Nomination and Remuneration Committee are as under:

- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- A person should be the person of high integrity, ethical standards, devote the sufficient time to the Company, and have the required skills, expertise and experience and shall perform duties in a bona-fide manner.

## **Criteria for identification of persons for Appointment as Independent Director**

The criteria adopted by the Nomination and Remuneration Committee are as under:

- An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.
- An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona- fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.
- An Independent director should meet the requirements of Section 149 of the Companies Act, 2013.

**For and on behalf of Board,  
Divya Capital One Private Limited**