

NOMINATION AND REMUNERATION POLICY

Definitions:

“Nomination and Remuneration Committee” means Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013.

“Board” means the Board of Directors of the Company.

“Managing Director” means person appointed under Section 196, 203 of the Companies Act, 2013.

“Senior Management” means employee(s) with designation of President and above.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

“Company” means Assets Care & Reconstruction Enterprise Ltd.

“ESOP” means employee stock options granted under various ESOP Schemes of the Company.

“CSOP” means employee stock options granted under Cash Settled Option Plan 2019 to those employees under contractual employment with the Company.

(I) Identification of Key Managerial Personnel, Senior Management and other employees

The authority to identify right candidates for appointment of Key Managerial Personnel (other than Managing Director), Senior Management and other employees is vested with the Managing Director.

The Managing Director will identify candidates internally or externally for appointment as Key Managerial Personnel (other than Managing Director) and Senior Management, basis which the NRC will propose to the Board for its approval for appointment along with proposed remuneration.

The Remuneration of other employees shall be decided by the Managing Director.

The Board of Directors and Shareholders of the Company shall identify the Managing Director of the Company as required.

(II) Criteria for Determining Qualifications, Positive Attributes & Independence of Director

1. Qualifications of Independent Director:-

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.

2. Positive attributes of Independent Directors:-

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; shall not have any conflict of interest; 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 profession obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Independence of Independent Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 concerning.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. INDEPENDENT DIRECTORS (ID)

- a) ID shall be paid a sitting fee of Rs. 30,000/- for every meeting of the Board and Audit Committee, Rs.25,000/- for every meeting of Risk Management Committee and Rs.15,000/- for every other Committee Meetings attended by them as member.
- b) ID shall be paid Commission within overall limits of 1% of the Net Profits computed under section 198 of the Companies Act 2013.

B. KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Remuneration to Managing Director/CEO shall take into account the Company's overall performance, Managing Director/CEO's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture. The Employees with designation of Senior Manager and above will be eligible for ESOPs/CSOP under ESOP/CSOP plans as approved by the nomination and Remuneration Committee/ Board of Directors and hence, such instrument(s) shall form part of their remuneration package.

The Remuneration to others may be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Key Managerial Personnel and Senior Management may involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

(III) **Reimbursement of Daily Allowance to Directors and Employees of the Company during foreign visits for attending meetings of the Board of Directors/ Committee of Directors, Seminars, Trainings etc.**

In case any Directors or any employee of the Company visits outside India for attending any meetings of the Board of Directors/ Committee of Directors, Seminars, Trainings etc, he/she shall be reimbursed following amount of Daily Allowance(DA) over and above the expenses related to boarding, lodging and conveyance to meet daily incidental expenses:

1. Directors: USD 125 per day
2. Employees: USD 100 per day

Further, in case the employees visit outside India for a training of more than 15 days than the reimbursement of daily incidental expenses should be USD 25 per day over and above the expenses related to boarding, lodging and conveyance.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.
