

## NOMINATION & REMUNERATION POLICY

### 1. INTRODUCTION

Pursuant to section 178 of Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and regulation 19 of SEBI (LODR) regulation 2015 (“SEBI Listing Regulations”), it mandates upon the Listed companies and such other class of Companies to establish Nomination and Remuneration committee at their Companies and formulate the policies of it on their Board with respect to the recommendation to the Board for appointment of new director whether executive or non-executive/nominee and to decide their remuneration, role, responsibilities etc.

In pursuance of above and to capture the best talent in the industry and to keep good atmosphere of compliances and approach to improve the quality of governance, the Company has formed the “**Nomination and Remuneration Committee**” pursuant to a resolution of the Board of Directors dated November 6, 2015.

### 2. SCOPE & EXCLUSION

This Policy sets out the guiding principles for identification of persons who qualify to become Directors, who may be appointed as senior management, determine the independence of Directors and remuneration policy of the Company. The Nomination and Remuneration Committee is responsible for identifying persons who are qualified to become Directors/Independent Directors and recommend remuneration to be payable to them to the Board.

### 3. DEFINITIONS

- a) “**Policy**” means Nomination and Remuneration policy of the Company as framed in accordance with the sub-section 3 of section 178 of Companies Act, 2013 and part D of schedule II SEBI listing regulations.
- b) “**Committee**” means Nomination and Remuneration Committee of the Company as constituted by the Board in accordance with the Regulation 19 of the SEBI Listing Regulations and provisions of Section 178 of Companies Act, 2013.
- c) “**Independent Director**”: means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and regulation 16(1)(b) of the SEBI listing regulations.

d) **“Key Managerial Person”**: Key Managerial Personnel means

- (i) Chief Executive Officer or the Managing Director or the Manager and in their absence, a whole-time director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer; and
- (iv) Such other Officer as may be prescribed.

e) **“Senior Management”**: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

f) **“Managerial Remuneration”** means remuneration payable to the Directors in accordance with section 197 and 198 of the Companies Act, 2013 and excludes remuneration received in professional capacity, if the director possess the necessary qualification and services rendered are of professional nature.

#### 4. **EFFECTIVE DATE**

This policy has been formulated by the Nomination and Remuneration Committee and shall be effective from the date of formation of Nomination and Remuneration Committee.

5. **APPLICABILITY**: The Policy is applicable to

- All Directors (Executive, Non-Executive and Independent)
- Key Managerial Personnel
- Senior Management Personnel

#### 6. **CONSTITUTION OF COMMITTEE**

- i. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- ii. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- iii. Chairman of the Committee shall be an Independent Director.
- iv. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- v. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- vi. Chairman of the Committee or in his absence, any other member of the Committee authorized by him shall attend the General Meetings of the Company.
- vii. Membership of the Committee shall be disclosed in the Annual Report.



- viii. Term of the Committee shall be continued unless terminated by the Board of Directors.
- ix. The Board has the power to constitute/reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

7. **ROLE & RESPONSIBILITY OF COMMITTEE**

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal;
- Considering and recommending grant of Employees stock option, if any, and administration and superintendence of the same;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- Carrying out any other function contained in the SEBI Listing Regulations as and when amended from time to time.

8. **GENERAL APPOINTMENT CRITERIA**

- a) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- b) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.

- c) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013 and SEBI Listing Regulations to the extent applicable.
- d) On the recommendation of the Nomination and Remuneration Committee, the Performance evaluation of Directors shall be done by the Board of Directors, excluding the director being evaluated.

9. **ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS**

Independent directors shall be appointed in accordance with the provisions of Companies Act 2013 and other applicable provisions:

- An Independent Director in relation to a company means a director other than a managing director or a whole-time director or a nominee director:
  - a) Who, in the opinion of the board, is a person of integrity and possesses relevant expertise and experience;
  - b) i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c) Who, apart from receiving directors remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e) Who, neither himself nor any of his relatives:
    - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
    - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:



- a. A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- b. Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- c. Holds together with his relatives two per cent or more of the total voting power of the company; or
- d. Is a chief executive or director, by whatever name called, of any non profit organisation that receives twenty- five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
- e. Is a material supplier, service provider or customer or a lessor or lessee of the Company; or
- f. Who is not less than 21 years of age;
- g. Who possesses such other qualifications as may be prescribed.

➤ The appointment of independent directors on the Board shall also be governed by the provisions of the Companies Act, 2013

#### **10. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD**

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

##### **Executive Directors**

The Executive Directors shall be evaluated on the basis of targets/ Criteria given to executive Directors by the board from time to time including day to day functions.

##### **Non-executive Director:**

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a) Act objectively and constructively while exercising their duties;
- b) Exercise their responsibilities in a bona fide manner in the interest of the company;
- c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) Refrain from any action that would lead to loss of his independence
- f) Inform the board immediately when they lose their independence,
- g) Assist the company in implementing the best corporate governance practices.
- h) Strive to attend all meetings of the board of directors and the committees;
- i) Participate constructively and actively in the committees of the board in which they are chairpersons or members;
- j) Strive to attend the general meetings of the company;

- k) Keep themselves well informed about the company and the external environment in which it operates;
- l) Do not unfairly obstruct the functioning of and otherwise proper board or committee of the board;
- m) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- n) Abide by company's memorandum and articles of association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## **11. REMUNERATION**

The Committee will recommend to the Board for approval, the policy on remuneration to be paid to the Managing Director, Independent Directors, Nominee Directors, KMP's and Senior Management Personnel. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also 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. The other relevant criteria for remuneration can be as follows:

### **A. Executive Director/Managing Director**

Besides the above Criteria, the remuneration/compensation/commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and based on the recommendation and evaluation of the Nomination and Remuneration Committee. However, the remuneration payable to the directors in their professional capacity shall not be counted as managerial remuneration if in the opinion of the remuneration committee such director possess necessary qualification in this regard.

### **B. Independent Directors**

The Independent Directors will be entitled to receive any sitting fees or other reimbursements in accordance with the provisions of Companies Act, 2013 and agreement executed with them. The independent directors shall not be entitled to any stock options.

### **C. Non-Executive Nominee Directors**

The Nominee Directors will be entitled to receive any sitting fee or reimbursements in accordance with the provisions of the Articles of Association of the Company as amended from time to time.



#### **D. KMPs / Senior Management Personnel etc.**

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

The remuneration will also be guided and based on market and industry trends to ensure that Company is able to attract and retain the KMPs and Senior Management Personnel required for the success of the Company.

#### **E. Directors' and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs, Senior Management Personnel, etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### **F. Remuneration Review and Approval**

The HR Committee shall present a detailed remuneration revision proposal to the Nomination and Remuneration Committee/ Board at least once a year that:

- Shares data and trends of remuneration of Directors, KMPs and Senior Management
- Includes the recommended levels of remuneration to ensure that Company is able to attract, retain and motivate directors, KMPs and Senior Management to run the Company successfully
- Takes into account the financial performance and remuneration philosophy of the organization
- Outlines with clarity the relationship between remuneration and performance, and mechanism to incentivize short-term and long-term performance objectives, specifically for KMPs and Senior Management.

#### **12. TERM/TENURE**

The Term/ Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. The KMPs and Senior Management personnel term/tenure of their appointment shall be in accordance with the letter of appointment/contracts/agreement executed with them.

#### **13. REMOVAL**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**14. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**15. MEETING**

The members of Nomination and Remuneration Committee may meet at regular intervals in terms of its reference and in accordance with applicable provisions, if any.

**16. MINUTES**

The minutes of the meeting of committee shall be prepared in accordance with applicable provisions, if any.

**17. QUORUM**

The quorum for each meeting of the Nomination and Remuneration Committee shall be two members present.

**18. VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**For and on behalf of the Board of Directors  
F MEC International Financial Services Limited**



**Apoorve Bansal  
Managing Director  
DIN: 08052540**

**Date: 12.08.2024  
Place: New Delhi**