

ALANKIT LIMITED

NOMINATION & REMUNERATION POLICY

1. INTRODUCTION

The Nomination & Remuneration Policy (“Policy”) of Alankit Limited (“Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013.

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

2. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). The Key Objectives of the Committee would be:

- act as a guide to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- ensuring that remuneration 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. TERMS & REFERENCES

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

- a. **Company** means Alankit Limited
- b. **Director** means a director appointed to the Board of the Company.
- c. **Key Managerial Personnel (the “KMP”)** 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 as may be prescribed under the Companies Act, 2013.
- d. **Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

- e. **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- f. **Senior Management** means officers of the Company who are members of the core management team excluding Board of Directors. This would include all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and include company secretary and chief financial officer.

The words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations or the Accounting Standards shall have the meanings assigned to them.

4. RESPONSIBILITIES OF THE COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- a. Size and composition of the Board:
Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b. Directors:
Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position;
- c. assessing the independence of independent directors;
- d. such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder.
- e. to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f. ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g. Remuneration framework and policies:
The Committee is responsible for reviewing and making recommendations to the Board on:
 - Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
 - Individual and total remuneration of non-executive Directors and the chairperson (if non-executive), including any additional fees payable for membership of Board committees;

- the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts

5. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

A. Appointment criteria and qualifications

Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of Directors, KMP and senior management are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee shall consider the following:

- A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for
- A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

B. Term / Tenure

- **Managing Director / Whole-time Director**
The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director 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.
- **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 in the Board's report.

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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

C. REMOVAL OF A DIRECTOR, KMP OR SENIOR MANAGEMENT

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee 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.

D. RETIREMENT

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

6. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KMP AND SENIOR MANAGEMENT

A. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.

B. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

C. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.

D. Remuneration to KMP and Senior Management

The pay program for KMP and Senior Management has been designed around three primary pay components: Base/Fixed Pay, Performance Bonus and Stock Incentives. These three components together constitute the “Total Rewards” of the KMP and Senior Management.

i) Base/ Fixed pay: It is guaranteed pay and paid periodically, usually monthly or bi-monthly or as per payroll policy by country.

ii) Performance Bonus: Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee.

iii) Stock Incentives: Stock or Equity based incentives can be either time based or performance based equity grants. Time based stock incentives, in the form of Restricted Stock Units (RSUs) or/and stock options, are granted based on continuation of service. Performance based stock incentives are generally granted annually, in the form of Stock Options and/or RSUs, upon the achievement of Company and individual goals. The stock incentives are governed by the 2015 Stock Incentive Compensation Plan approved by the shareholders or any other plan as may be amended.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders' interests, through a continued focus on the Company's sustainable, long term performance.

E. Minimum remuneration to Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

F. Remuneration to Non-Executive / Independent Directors

- i) Remuneration: The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
- ii) Stock incentive: The Independent Directors shall not be entitled to any stock incentive of the Company.
- iii) The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

7. MONITORING EVALUATION

The Nomination and remuneration Committee shall evaluate the performance of the Directors and the overall Board broadly on the basis of below mentioned criteria:

- Whether the Directors / Board have acted in accordance with the provisions of the Articles of Association of the Company.
- The Committee shall assemble all information regarding a candidate's background and qualifications to determine if the candidate possesses or satisfies the minimum skills and qualifications that a director must possess.
- The Committee shall evaluate a candidate's mix of skills and qualifications and determine the contribution the candidate could be expected to make to the overall functioning of the Board.
- The Committee shall give due consideration to the overall Board balance of diversity of perspectives, backgrounds and experiences.
- With respect to current directors, the Committee shall consider past attendance at meetings and assess the participation in and contributions to the activities of the Board. Whether the Directors / Board have acted in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the Community and for the protection of environment.

- Whether the Director / Board has exercised their duties with due and reasonable care, skill and diligence and whether the Director / Board have exercised independent judgment.
- Whether the Director / Board have involved in a situation in which he / they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- The Committee shall recommend director to the Board based on its assessment of overall suitability to serve on the Board in accordance with this Policy.

8. POLICY REVIEW

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.