

Asia Capital Limited

CIN: L65993MH1983PLC342502

Registered Office

203, Aziz Avenue, CTS-1381, Near
Railway Crossing Vallabhbhai Patel Road,
Vile Parle (W), Mumbai- 400056
Phone: 022-26100787/ 801/ 802
Email: asiacapitallimited@gmail.com
Website: www.asiacapital.in

NOMINATION AND REMUNERATION POLICY

1. LEGAL FRAMEWORK

The following Nomination and Remuneration Policy is being formulated in compliance with section 178 of the Companies Act, 2013 (the Act) read along with the applicable rules thereto and regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. DEFINITIONS

“Act” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time;

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

“Directors” shall mean Directors of the Company;

“Independent Director” means a director referred to in Section 149(6) of the Act;

“Key Managerial Personnel” means:

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

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise 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 shall specifically include Company Secretary and Chief Financial Officer;

“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.

3. OBJECTIVE

The objective of the policy is to ensure that:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To devise a policy on Board diversity;
- 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 of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

4. ROLE OF THE COMMITTEE

The role of the NRC are inter alia, includes the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a director;
- To formulate criteria and specify the manner for effective evaluation of Independent Directors and the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy;
- To carry out evaluation of Director's performance;
- To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management;
- To devise a policy on Board diversity, composition, size;

- Succession planning for replacing Key Executives and overseeing;
- 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
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

5. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a. Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per the Company's Policy;
- ii. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the position;
- iii. The Company shall not appoint or continue the employment of any person as Managing Director, Whole-time director or Manager who 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 shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years; and
- iv. A person shall be considered for appointment as an Independent Director on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

b. Term/ Tenure

i. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

ii. Independent Director:

- a. 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;

- b. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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; and
- c. 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and the Listing Regulations.

c. Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management yearly at such intervals as may be considered necessary. Evaluation process shall be conducted for the Board as a whole, Board Committees and also for the Directors individually.

Performance evaluation of the KMPs, Senior Management Personnel shall be carried out by based on the Key Results Area (KRA) set at the beginning of the financial year and reviewed at least once during the year to modify such KRAs if required.

Performance evaluation of the Independent Directors shall be carried out by the entire Board, except the Independent Directors being evaluated.

d. Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the Board, the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

e. Retirement

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

f. Policy for Remuneration to Directors/KMP/Senior Management Personnel

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company; and

- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive remuneration by way of sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013 for attending meetings of Board or Committee thereof. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors;
- b) All the remuneration of the Non- Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013 shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be;
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company;
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The services are rendered by such Director in his capacity as the professional;
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession; and
 - iii. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management Personnel:

- a) The remuneration to Key Managerial Personnel and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy;

- b) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time; and
- c) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management Personnel, to be decided annually or at such intervals as may be considered appropriate.

6. MEMBERSHIP

- a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors;
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations;
- c) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance);
- d) Membership of the Committee shall be disclosed in the Annual Report; and
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

7. CHAIRPERSON

- a) Chairperson of the Committee shall be an Independent Director;
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be Chairman of the Committee;
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson; and
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY AND QUORUM OF MEETINGS

The meeting of Nomination and Remuneration Committee shall be held at such regular intervals as may be required but at least once a year.

The quorum for the Committee meeting shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.

9. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated; and
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. SECRETARY

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

11. 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 Chairperson of the meeting will have a casting vote.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all Meetings must be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

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. IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate;
- Company shall disclose the remuneration policy and evaluation criteria in its Annual Report; and
- The Committee may Delegate any of its powers to one or more of its members.

15. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.
