

# **CONSOLIDATED FINVEST & HOLDINGS LIMITED**

## **REMUNERATION POLICY**

### **1 PURPOSE**

To provide a framework and principles which will guide the remuneration strategy of Consolidated Finvest & Holdings Limited (“Company”) for its Directors, Key Managerial Personnel and other employees. This amended Policy has been approved by the Board of Directors at its meeting held on May 30, 2019.

### **2 DEFINITIONS**

- i. “**Act**” means the Companies Act, 2013, Rules framed thereunder including any modification or re-enactment thereof.
- ii. “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended or replaced from time to time.
- iii. “**Board**” means the Board of Directors of the Company.
- iv. “**Committee**” or “**Nomination and Remuneration Committee**” means a Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.
- v. “**Independent Director**” means the Independent Director of the Company appointed in pursuance of the Act and Listing Regulations.
- vi. “**Key Managerial Personnel**” or “**KMP**” means the person(s) appointed as such in pursuance of Section 203 of the Act.
- vii. “**Remuneration**” means any money or its equivalent given or passed on to any person for services rendered by him/ her and includes perquisites and other benefits.
- viii. “**Senior Management**” mean the members of core management team of the Company excluding Board of Directors and shall comprise of all the members of management one level below the executive directors, including all functional heads, as mentioned in Section 178 of the Companies Act, 2013.

### **3 APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL**

#### **3.1 Appointment Criterion and Qualifications:**

1. The person should possess adequate qualification, positive attributes, expertise and experience commensurate with the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / adequate for the concerned position.
2. The persons proposed to be appointed as Directors or Whole Time Director shall fulfil the following criterion:
  - a) He / she should be person of integrity with high level of ethical standards.

- b) The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business and operations of the Company.
- c) The person should not have been disqualified to be a director as per the provisions of the Act, Rules and any other law and regulation for the time being in force. In case of appointment as Independent Director, the person should fulfil the criterion of independence prescribed under the Act, Rules and the Listing Regulations.

### **3.2 Recommendation of the Committee:**

Depending upon the requirement of the Company, the Committee shall identify the persons who fulfil the criterion mentioned above for appointment as Director, KMP or Senior Management personnel and recommend to the Board for such appointment including the Remuneration and terms of their appointment.

The Committee shall also recommend to the Board the increment and performance incentive of Whole Time Director of the Company.

### **3.3 Retirement:**

Unless removed by the competent authority,

- a) A Director including Whole Time Director, if any, shall retire as per the terms of his/her appointment.
- b) Senior Management personnel shall retire as per the prevailing human resource policy of the Company.

## **4 REMUNERATION STRUCTURE**

### **4.1 WHOLE TIME DIRECTOR**

The Committee shall formulate and recommend to the Board from time to time Remuneration packages for Whole-Time Directors keeping a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Whole-Time Directors are not entitled to sitting fee for attending Meetings of the Board and its committees.

However Managing Director of the Company has been appointed without payment of remuneration and he shall be paid sitting fee to attend meetings of the Board and Committees thereof.

## **4.2 NON EXECUTIVE DIRECTORS**

Non-Executive Directors shall be paid sitting fee for attending meetings of the Board and Committees thereof subject to the maximum amount permissible under the Act and Rules. Subject to the adequacy of the profits and approval of the Shareholders, the Company may pay commission to the Non- Executive Directors of the Company.

## **4.3 OTHER KMPs AND EMPLOYEES**

The payment structure comprising of fixed component, performance based incentive, annual bonus, etc. as well as salary levels and policies pertaining to perquisites and benefits including retirement benefits are designed as per the industry practice, business needs or other factors related to the business of the Company.

The Human Resource Department undertakes review of the Remuneration through periodic benchmarking exercises, surveys and market trends. The various Remuneration components are combined to ensure an appropriate and balanced Remuneration package depending upon the level of employee, job profile, demand-supply relationship of the concerned job expertise, performance, future potential, compensation trend in the industry and other relevant variables.