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NOMINATION AND REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. Any amendment in the said Act/Regulations at any point of time in future shall be deemed to be incorporated herein automatically. 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 approved by the Board of Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Regulations, as amended from time to time. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board, Board as a whole and Board Committees and provide necessary report to the Board for further evaluation thereof by the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To recommend for Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means :-
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. Such other officer as may be prescribed.

2.5. Senior Management means the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer .

2.6. Remuneration means 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. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee's Role shall be:-

- a. To formulate and recommend to the Board, a Nomination and Remuneration Policy of the Company as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of Listing Regulations, as amended from time to time.
- b. To recommend addition/modification to the Nomination & Remuneration Policy to the Board from time to time.
- c. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration for the directors, Key Managerial Personnel and other employees as per the Companies Act, 2013, applicable RBI Guidelines and Regulation 19(4) of Listing Regulations, 2015, as amended from time to time
- d. To formulate criteria for evaluation of performance of Directors including independent directors, board of directors and Board Committees
- e. To devise a policy on diversity of board of directors
- f. To identify 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 of directors their appointment,

continuation and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board or by Nomination and Remuneration Committee or by an independent external agency and to review its implementation and compliance

- g.** To recommend whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors
- h.** To recommend to the Board, appointment and removal of Directors, KMPs and Senior Management Personnel.
- i.** To recommend to the board, all remuneration, in whatever form, payable to KMPs and senior management
- j.** To oversee familiarisation programmes for directors.
- k.** To perform such other duties and responsibilities as may be consistent with the provisions of the Companies Act, Listing Regulations or any applicable Statute as the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time.

3.2. Policy for appointment and removal of Directors, KMPs and Senior Management Personnel

3.2.1. Appointment criteria and qualifications

- a)** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the persons for appointment as Director, KMP or at Senior Management level in line with the Business of the Company, the Industry Structure which the Company operates in and recommend to the Board his / her appointment.
- b)** A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment to ensure that he/she is able to discharge his duties in a diligent manner. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c)** The Company shall not appoint or continue the employment of any person as Whole-time Director, 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 such motion indicating the justification for extension of appointment beyond seventy years. Further, the Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

- d) A person shall be eligible for appointment as Managing Director of the company if he has worked as whole time director or manager for at least 3 years in a public limited company.
- e) The Chief Financial Officer of the Company shall necessarily be a member of Institute of Chartered Accountants of India. The Company Secretary of the Company shall necessarily be a member of Institute of Company Secretaries of India. For any other position in the Senior Management, where a specific educational qualification is desirable to discharge the functions and duties attached to that particular position, the person shall necessarily be holding that qualification. The Committee will be authorized to define the criteria and remuneration range for KMPs and Senior Management persons and to authorize the Managing Director of the Company to make appointments as per the said criteria. Such appointments made by the Managing Director of the Company will be reviewed by the Nomination and Remuneration Committee in its next meeting.
- f) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. Such Skills/expertise/competence for all members of the Board including independent directors are given in para 3.2.3 of this policy. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.

3.2.2. Term / Tenure

a) 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 re-appointment shall be made earlier than one year

before the expiry of term.

b) Independent Directors:

- 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 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 Listing Regulations.

3.2.3. Chart setting out the Skills/Expertise/Competence of the Board of Directors:-

Core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively	<ol style="list-style-type: none">1. Ability to understand Financial Markets especially Forex Markets2. Ability to understand Regulatory/Statutory framework applicable to the Company3. Quick decision making4. Understanding of Company's business verticals5. Experience in developing policies and processes relating to corporate governance6. Leaderships skills for guiding the management team7. Ability to formulate long term and short term business strategies8. Ability to understand Financial Statements
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3.2.4. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel on annual basis on the following criteria:-

a. Criteria for evaluation of the Board of Directors as a whole:

- (i) The Frequency of Meetings
- (ii) Quantum of Agenda
- (iii) Administration of Meetings
- (iv) Flow and quantity of Information from the Management to the Board
- (v) Number of Committees and their role.
- (vi) Overall performance of the Company

b. Criteria for evaluation of the Board Committees

- (i) The Frequency of Meetings
- (ii) Quantum of Agenda
- (iii) Administration of Meetings
- (iv) Flow and quantity of Information from the Management to the Committee
- (v) Role of Committees.
- (vi) Contribution to the decision making process of the Board.

c. Criteria for evaluation of the Individual Directors including Independent Directors;

- (i) Experience and ability to contribute to the decision making process
- (ii) Problem solving approach and guidance to the Management
- (iii) Attendance and Participation in the Meetings
- (iv) Personal competencies as per Chart given under para 3.2.3 above and contribution to strategy formulation
- (v) Contribution towards statutory compliances, monitoring of controls and Corporate Governance
- (vi) The evaluation of independent directors shall be done by the entire board of directors which shall include –
 - (a) Performance of the directors; and
 - (b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and Listing Regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

The performance evaluation of all the Independent Directors shall be done by the entire Board and while doing so, the Director subject to evaluation shall not participate. On the basis of performance evaluation done by the Board, it will be

determined whether to extend or continue their term of appointment, whenever their respective term expires.

d. Criteria for evaluation of the KMPs and Senior Management Personnel

- i. Problem solving approach
- ii. Suitability to the post on the basis of qualification, experience and expertise
- iii. General conduct and discipline
- iv. Team work
- v. Compliance with Regulatory Matrix
- vi. Contribution to the formulation of the strategies

3.2.5. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or due to other valid reasons as recorded in writing by the Committee, the Committee may recommend to the Board, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.6. 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.

3.3. Policy relating to the Remuneration for the Whole-time Directors, KMPs and Senior Management Personnel

3.3.1. General:

- (a) The remuneration / compensation / commission etc. to the Whole-time Directors, KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required under the applicable law.
- (b) The remuneration to be paid to the Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Resolution appointing them or in the Articles of Association of the Company and as per the provisions of the Act.
- (c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the

slabs approved by the Shareholders in the case of Whole-time Directors. Further, the increments shall be allowed not only on the basis of performance of the Company but shall also include various factors like individual performance vis a vis individual responsibilities, diligence in achievement of Key Responsibility Areas (KRAs), Industry trends, economic situation, future growth prospects of the Company etc.

- (d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time Directors/ Executive / Managing Director, KMP and Senior Management Personnel:-

a. Remuneration to Managing Director / Whole-time Directors:

- i. The Remuneration/ Commission etc. to be paid to Executive/ Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013, Rules made thereunder, provisions of Listing Regulations, as amended from time to time or any other enactment for the time being in force and as per the approvals obtained from the Members of the Company.
- ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Executive/Managing Director / Whole-time Directors.
- iii. The Committee may also recommend/approve a range of remuneration within which the remuneration may be paid to the Executive/ Managing Director / Whole-time Directors.
- iv. **Minimum Remuneration:** 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 Act.
- v. **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the company and until such sum is refunded, shall hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

b. Remuneration to Non- Executive / Independent Directors:

- i. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. 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 or in any other manner as decided by the Board of Directors.
 - ii. 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 thereunder 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.
 - iii. 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.
 - iv. In case the Company decides to offer any Employee Stock Option/ Purchase Schemes in future, the Committee shall determine the stock options and other share based payments to be made to the eligible Directors (other than Independent Directors).
- c. Any remuneration paid to Directors of the Company for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (a) and (b) above if the following conditions are satisfied:-
- i. The Services are rendered by such Director in his capacity as professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

d. Remuneration to key managerial personnel and senior management:-

- i. The remuneration to Key Managerial Personnel and Senior Management Personnel shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy and shall be reviewed by the Committee from time to time.
- ii. The Committee may also recommend a range of remuneration within which the remuneration may be paid to the Key Managerial Personnel and Senior Management Personnel.
- iii. In case the Company decides to offer any Employee Stock Option/

Purchase Schemes in future, the Nomination and Remuneration Committee of the Company, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

- iv. The Fixed pay shall include monthly remuneration, monthly allowances, employer's contribution to Provident Fund, ESI, contribution to pension fund, pension schemes, etc. as decided by the Company from to time.
- v. The Incentive pay shall be in the form of Performance Bonus and Monthly/Yearly Incentive and shall be decided based upon the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4. POLICY ON BOARD DIVERSITY: The Board shall comprise of Directors having expertise in different areas / fields like Finance, Accounts, Business Development, Sales and Marketing, Banking, Regulatory Framework, Human Resource management, etc. or other areas as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one women director.

5. MEMBERSHIP OF COMMITTEE

- 5.1 The Committee shall consist of minimum 3 non-executive directors, 2/3rd of them being independent.
- 5.2 The Chairperson of the nomination and remuneration committee shall be an independent director
- 5.3 The quorum for a meeting of the Nomination and Remuneration Committee shall be either 2 members or 1/3rd of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 5.4 Composition of the Committee shall be disclosed in the Annual Report.
- 5.5 Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIRPERSON

- 6.1 Chairperson of the Committee shall be an Independent Director.
- 6.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 6.3 In the absence of the Chairperson of the Committee, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 6.4 Chairman of the Nomination and Remuneration Committee meeting would be

present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required, however, the Committee shall meet at least once in a year. Further, it shall be ensured that such minimum number of meetings of the committee are held as required under the Companies Act, 2013, Rules framed thereunder and under Listing Regulations.

8. COMMITTEE MEMBERS' INTERESTS

- 8.1 The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
- 8.2 The Committee may invite such executives, professionals, consultants or experts as it considers appropriate, to be present at the meetings of the Committee.

9. SECRETARY

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

10. VOTING

- 10.1 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 to be decision of the Committee.
- 10.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

11. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded as per the Provisions of the Companies Act, 2013 and Secretarial Standards and signed by the Chairman of the Committee or the chairman of the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

(Sd/-)
Chairman
11.04.2023