



Formerly known as Parnami Credits Limited

## NOMINATION AND REMUNERATION POLICY

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- **BACKGROUND:**

Nomination and Remuneration Committee formation is mandated by Companies Act, 2013 (hereinafter referred to as “the Act”). Pursuant to Section 178 of the Act and Rules made thereunder, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.

This policy for determining Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management (“Policy”) of QGO Finance Limited (“QGO” or “Company”) has been adopted, in accordance with the provisions of Companies Act, 2013. The Board of Directors of the Company may amend this policy from time to time provided such amendments are in line with the provisions of Companies Act, 2013 and Regulations (if any) applicable to the Company at the time of amendment.

- **OBJECTIVE:**

The primary objective of this Policy is to attract, retain and motivate Key Managerial Personnel and Senior Management. To provide guidelines for the formation of Nomination and Remuneration Committee, which includes its composition, roles and responsibilities and to enumerate the Terms of Reference of the Committee. Further the Policy provides in detail for the following:

- i. Selection criteria and qualifications for Directors;
- ii. Selection criteria and qualifications for Senior Management
- iii. Remuneration payable to Directors, KMP and Senior Management
- iv. Performance goal setting

- **DEFINITIONS:**

- a. “**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Company.
- b. “**Company**” means Qgo Finance Limited.
- c. “**Policy**” means this Policy on Nomination and Remuneration of Directors, KMP and Senior Management of the Company.
- d. “**Director**” means a director appointed to the Board of the company
- e. “**Key Managerial Personnel**”, in relation to the company, means –
  - the Chief Executive Officer or the managing director or the manager;
  - the Company Secretary;
  - the Whole-Time Director;
  - the Chief Financial Officer
  - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board
- f. “**Senior Management**” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- g. “**Chief Executive Officer**” means an officer of the company, who has been designated as such by it;
- h. “**Chief Financial Officer**” means a person appointed as the Chief Financial Officer of the company;
- i. “**Company Secretary**” means a Company Secretary as defined in clause (c) of sub-

section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by the company to perform the functions of a Company Secretary;

- j. "**Whole-time Director**" includes a director in the whole-time employment of the company.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013 or the rules made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or any statutory modification or re-enactment thereto, as the case may be.

• **CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:**

The Board of Directors shall constitute a Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.
- The Chairperson of the Committee can be an Executive or a Non-Executive Director.

• **TERMS OF REFERENCE OF COMMITTEE**

1. To formulate a criterion for determining qualifications, positive attributes and independence of a Director.
2. Formulate criteria for evaluation of Independent Directors and the Board.
3. 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.
4. To carry out evaluation of every Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. To devise a policy on Board diversity.

9. 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 their appointment and removal
10. Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
11. Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
12. Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
13. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice
14. 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.
15. To perform such other functions as may be necessary or appropriate for the performance of its duties.

- **REMUNERATION FOR DIRECTORS, KMP AND SENIOR MANAGEMENT**

The policy provides that the remuneration of Directors, KMP and other employees shall be based on the following key principles:

- **Pay for performance:**  
Remuneration of Executive Directors, KMP and other employees shall be balance between fixed and incentive pay. The remuneration of Non-Executive Directors shall be decided by the Board based on the profits of the Company and industry benchmarks.
- **Balanced rewards to create sustainable value:**  
The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation.
- **Competitive compensation:**  
Total target compensation and benefits are comparable to peer companies in the industry and commensurate to the qualifications and experience of the concerned individual.

- **Business Ethics:** Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest.

- **REVIEW AND AMENDMENT:**

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.