



## NOMINATION AND REMUNERATION POLICY

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## 1. BACKGROUND:

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

This policy for determining Nomination, Remuneration and Compensation to 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 read with the applicable rules thereto as amended from time to time. The Policy may be amended from time to time by Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors of the Company 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.

## 2. 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. Compensation to Directors, KMP and Senior Management;
- v. Performance goal setting

## 3. 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.
- k. "**Chief Operating Officer**" an officer of the Company, who has been designated as such by it;

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.

#### 4. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE AND FORMULATION OF POLICY:

- I. 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.
- a. Minimum two (2) members shall constitute a quorum for the Committee meeting.
  - b. Membership of the Committee shall be disclosed in the Annual Report.



- c. Term of the Committee shall be continued unless terminated by the Board of Directors.
  - d. The Chairperson of the Committee can be an Executive or a Non-Executive Director.
- II. While formulating this Policy, the Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:
- a. 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;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, KMP 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.

The Board has authority to reconstitute this Committee from time to time

**5. TERMS OF REFERENCE OF COMMITTEE:**

- i. To formulate a criterion for determining qualifications, positive attributes and independence of a director.
- ii. Evaluation of Independent:
  - a. make recommendations to the Board on appropriate performance criteria for the Directors.
  - b. formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
  - c. identify ongoing training and education programs for the Board to ensure that non-executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.
- iii. 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.



- iv. To carry out evaluation of every Director's performance.
- v. To recommend to the Board the appointment and removal of Directors and Senior Management.
- vi. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- viii. To devise a policy on Board diversity.
- ix. 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
- x. 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.
- xi. 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.
- xii. Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- xiii. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice
- xiv. 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.
- xv. To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

### **I. General:**

- i. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval, in accordance with the requirements under the Applicable Laws.
- ii. 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.
- iii. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management 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.

### **II. Remuneration to Directors:**

- i. **Executive Directors:** The remuneration of the Executive Directors will be recommended by the Nomination and Remuneration Committee (Committee) to the Board of Directors (Board) and after approval by the Board the same will be put up for the shareholder's approval.
- ii. **Non-Executive Directors:** Non-Executive Directors will be paid commission as approved by the Board within the limits approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors, will not exceed 1% of the net profits of the Company in a financial year calculated as per the requirements of Section 198 of the Companies Act 2013 (Act). The said commission shall be decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their evaluation, and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

The Company shall reimburse the travelling, hotel and other out-of-pocket

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expenses incurred by the Directors for attending the meetings and for other work on behalf of the Company.

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

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 and consisting of a mix of base/ fixed pay, performance bonus.

### IV. **Remuneration to other employees:**

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Financial Officer and/or Chief Operating Officer.

## 7. **DISCLOSURE:**

The policy shall be disclosed in the Board Report, Annual Report, website and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being in force.

## 8. **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)/Reserve Bank of India (RBI) or any other appropriate Statutory Authority.

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