

NOMINATION & REMUNERATION POLICY

1. Introduction:

In terms of Section 178 of the Companies Act, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company of M/s Parshva Enterprises Limited has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

2. Definition:

- a) **Act:** means the Companies Act 2013 and rules there under, as amended from time to time.
- b) **Company:** means “Parshva Enterprises Limited”.
- c) **Board:** means Board of Director of “Parshva Enterprises Limited”.
- d) **Director:** means Directors of the Company.
- e) **Committee:** means “Nomination & Remuneration Committee” of the Company as constituted by the Board from time to time.
- f) **Key Managerial Personnel (KMP):** means-
 - i. the Managing Director or Chief Executive Officer or manager
 - ii. Whole-time Director
 - iii. the Company Secretary;
 - iv. the Chief Financial Officer; and
 - v. Any other person as defined under the Companies Act, 2013 from time to time.
- g) **Senior Management:** means officers/ personnel of the Company who are members of its core management team. The core management team excluding Board of Directors. Normally this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

3. Objective:

The objectives of this policy is to ensure that:

- 1) 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.
- 2) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 3) 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 committee:

The role of the committee would be the following:

- 1) To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 2) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- 3) To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company.
- 4) To formulate criteria for determining qualifications, positive attributes and independence of directors.
- 5) To identifying 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 and removal.
- 6) To recommend to the Board remuneration payable to the Directors and Key Managerial Personnel and Senior Management Personnel.
- 7) To develop a succession plan for the Board and to regularly review the plan.
- 8) To perform such other functions as may be necessary or appropriate for the performance of its duties.

5. Appointment & Removal of Director, KMP and Senior Management:

Appointment Criteria and Qualifications:

1. 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 will recommend to the Board of his or her appointment.
2. The Committee has power to decide that whether qualification, expertise and experience possessed by a person willing to be appointed as director or KMP are sufficient/ satisfactory for the concerned position.
3. The Committee 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 his position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term/ Tenure:

1. Managing Director

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- All Independent Directors shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment 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 the expiration 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.

3. Evaluation:

The committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

4. Removal:

Due to reasons for any disqualifications mentioned in the Companies Act, 2013 and rules made thereunder or under any applicable act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said act, rules and regulations.

5. Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 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.

6) Remuneration of Directors, KMP and Senior Management:

❖ Remuneration to Managing Director/Whole Time Director:

Remuneration to Managing Director/Whole time Director 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.

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 tie Directors.

❖ Remuneration to Non-Executive/ Independent Directors:

The Non-Executive/ Independent Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof. Provided that the amount of such fees for attending meeting shall not exceed the maximum amount as mentioned in the Companies Act, 2013.

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.

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. Any remuneration paid to Non-Executive /Independent Directors for services rendered which are of professional nature shall not be considered as part of remuneration 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.

❖ **Remuneration to Key Managerial Personnel and Senior Management:**

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

7) **Implementation:**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members.