



NOMINATION AND REMUNRATION COMMITTEE

COMMITTEE CHARTER

Alexander Stamps and Coin Limited

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INTRODUCTION

As provided under section 178 of the Companies Act, 2013, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Committee has formulated this Nomination and Remuneration Policy (“Policy”) the Board of Directors of every listed Company and such other class or classes of companies as may be prescribed, shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive

Directors out of which not less than one-half shall be independent directors.

In order to align with the provisions of the Companies Act, 2013, the Board of Directors vide their Board Meeting held on 12th March 2021 constituted the Committee with the name and style of “Nomination and Remuneration Committee” with 3 (three) non-executive Independent Directors and 1 (one) executive Director.

While formulating this Policy, the Committee has considered the factors laid down under Section 178(4) of the Companies Act, which are as under:

- (i) 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;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to Directors, Key Managerial Personnel 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.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 thereto.

OBJECTIVES

The Key Objectives of the Committee would be:

- I. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI. To devise a policy on Board diversity.
- VII. In the event of resignation of any Director, to ensure proper composition of the Board.

DEFINITIONS

“Company” means Alexander Stamps And Coin Limited.

“Committee” means the Nomination and Remuneration Committee as defined under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Listing Regulations).

“Director” means a Director appointed on the Board.

“Independent Director” means a Director referred to in Section 149(6) of the Companies Act, 2013.

“Key Managerial Personnel” means:

- (i) the Chief Executive Officer or the Managing Director or Manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer;
- (v) 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.

“Independent Director” means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role.

“Employees’ Stock Option” means the option given to the directors, officers or employees of company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

“SEBI” means Securities and Exchange Board of India.

“Shareholder Director” means a Director who represents the interests of shareholders and elected or nominated by such shareholders who are not trading members, or their associates and agents.

“Senior Management” means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the executive directors, including all functional heads.

“Remuneration” means any 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.

Unless the context otherwise requires, words and expressions used in this Policy and not defined, shall have the meanings prescribed to them under the Companies Act and the Listing Regulations as may be amended from time to time.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, as amended from time to time.

COMPOSITION

The Board of Directors had reconstituted Nomination and Remuneration comprising the following members:

- | | | |
|----|---|-----------|
| 1. | Satish Setty Korogappa (Independent Director) | -Chairman |
| 2. | Ramavatar Jain (Independent Director) | -Member |
| 3. | Diksha Kapur (Independent Woman Director) | -Member |
| 4. | Anirudh Sethy(Managing Director) | -Member |

ROLE OF COMMITTEE

The role of the Committee shall, inter alia, be the following:

- A. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- B. To carry out evaluation of every Director's performance.
- C. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- D. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and other employees.
- E. Ensure that 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.
- F. Recommend to the Board, all remuneration in whatever form, payable to senior management.
- G. Recommending whether to extend the tenure of appointment of the Independent Director on the basis of internal and external performance evaluation.
- H. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- I. To ensure that 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.
- J. Developing a succession plan to ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence and to regularly review the plan.
- K. Selecting the Managing Director.
- L. Devising a policy on Board diversity.
- M. 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 and
- N. To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT POLICY

APPOINTMENT CRITERIA AND QUALIFICATIONS:

- (i) The Committee, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director and a Key Managerial Personnel and Senior Management Personnel on the basis of his educational qualification, experience and track record. Such person shall possess adequate qualification, expertise and experience for the position the person is considered for appointment and shall fulfill the fit and proper person criteria. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person are satisfactory for the concerned position.
- (ii) Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, gender and other diversity of the Board. In determining whether to recommend a Director for re-election, the Committee also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation, besides considering internal performance evaluation reports. The Committee shall also consider performance evaluation report done on external basis, for re-appointment of Independent Directors.

- (iii) A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Committee and Board shall adhere to the categorical standards set forth under Section 149 of the Companies Act and under regulation 16 (b) of SEBI (Listing Regulations) 2015 to assist in making such determinations of independence.
- (iv) Every Key Managerial Personnel and member of the Senior Management shall always endeavours to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.
- (v) Any appointment and re-appointment of a Director, Senior Management and Key Managerial/Management Personnel of the Company shall be subject to the approval of the Committee.

TENURE

- (i) Managing Director/Whole-time Director
 - a. The Company shall appoint or re-appoint any person as its Managing Director for a term not less than 3 (three) years and not exceeding 5 (five) years at a time. The Managing Director may be appointed for a maximum of three terms not exceeding five years each, subject to age limit of sixty five years.
 - b. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.
 - c. The appointment and tenure of Managing Director would be governed by the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and as may be mandated by SEBI from time to time.
- (ii) Independent Director
 - a. An Independent Director shall be nominated for a fixed term of 3 (three) years on the Board and for such extended period as may be approved by SEBI, subject to performance evaluation and subject to maximum age limit of seventy years.
 - b. Independent Director shall not act simultaneously as director on the board of subsidiary of the Company.
 - c. At the time of appointment of the Independent Director, it shall be ensured that number of boards on which such Independent Director shall serve is restricted to 7 (seven) listed companies as an Independent Director.
 - d. No Independent director shall become a director on the board of subsidiary of the Company, unless there is a cooling-off period of three years after ceasing to be an Independent director.

- e. The appointment and tenure of Independent Director would be governed by the applicable provisions of the Companies Act, 2013 and as may be mandated by SEBI from time to time.
- f. An Independent Director shall not act simultaneously as a member on more than five committees, constituted as per SEBI (LODR) Regulations.

REMOVAL

The Committee may recommend to the Board, with reasons recorded in writing, removal of Director, Senior Management personnel or Key Managerial/Management Personnel due to reasons for disqualification in the Companies Act or any other applicable act, rules and regulations. Such removal shall be subject to the provisions and compliance of applicable laws, rules and regulations.

RETIREMENT

The Board of Directors, Key Managerial/Management Personnel and Senior Management shall retire as per the applicable provisions of the Companies Act, other applicable laws, regulations and prevailing Policy of the Company.

SUCCESSION

- a. The Committee shall periodically review and consider the list of Whole-time Directors, Key Managerial/Management Personnel and Senior Management personnel due for retirement / attrition within the year and formulate a list of individuals eligible to succeed such individuals due for retirement.
- b. The Committee shall also consider the new vacancies that may arise because of business needs. Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future growth and development.
- c. Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before the retirement/relieving of the concerned officer to ensure the smooth transition.
- d. The recommendation of the Committee shall be placed to the Board for approval. While making its recommendation, the Committee shall consult with the Chairman, the Managing director/Chief Executive Officer, as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.
- e. The Managing Director/Chief Executive Officer and the head of the human resources department of the Company shall, from time to time identify high-potential employees who merit faster career progression to position of higher

responsibility and formulate, administer, monitor and review the process of skill development and identify the training requirements.

- f. In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart (as far as practicable) shall take interim charge of the position, pending a regular appointment.

PROVISIONS RELATED TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSON, AND SENIOR MANAGEMENT:

• **General:**

1. The remuneration / compensation / commission etc. to Directors, Key Managerial Person, and Senior Management Personnel will be reviewed 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.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Directors, managers, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance as provided under section 197 (13) of the Companies Act, 2013 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.

• **Remuneration payable to Directors, managers, KMP's and Senior Management:**

1. Fixed Pay:

Director, Manager, KMP and Senior Management shall be as provided under section 197 (6) of the Act, be paid remuneration by way of a monthly payment as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Allowances and perquisites:

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, by passing Special Resolution in the general meeting of the company.

4. Provisions for excess remuneration:

As provided under section 197 (9) of the Act, if any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. As provided under section 197 (10) of the Act, 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.

• **Remuneration to Non-Executive / Independent Director:**

1. Commission:

The commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees:

The Independent Director may receive fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided under section 197 (5) of the Companies Act, 2013, read with rule 4 of the companies (Appointment & remuneration of managerial personnel) Rules, 2014 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration / Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director as provided under section 149 (9) of the Companies Act, 2013 shall not be entitled to any stock option of the Company.

MEMBERSHIP

- a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d. Membership of the Committee, if required, be disclosed in the Annual Report.
- e. Term of the Committee shall be continued unless terminated by the Board of Directors.

COMMITTEE CHAIRMAN

- a. Chairman of the Committee shall be amongst the Committee Members.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman for that meeting.
- d. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEETINGS

FREQUENCY OF MEETINGS:

The Committee shall thrive to meet at such regular intervals as may be required.

MINUTES OF THE MEETING:

Proceedings of all meetings must be minted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board Committee meeting.

COMMITTEE MEMBERS INTEREST:

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING:

- a. 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 a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so.

POLICY REVIEW

The adequacy of this policy shall be reviewed and reassessed by the Committee, at least, annually and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework, from time to time.

Approved by Committee on: 12.03.2021

Effective Date: 12.03.2021
