
NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY



Version No.	Approving Authority	Date of Approval
3.	181 st BOD	31 st Jan 2024
2.	126 th BOD	13 th June 2020
1.	66 th BOD	27 th March 2015

“NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY”

Legal Framework

As per the requirements under Section 178 of Companies Act 2013, 2013 read along with the applicable rules thereto and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) and other applicable laws (hereinafter referred to as “Relevant laws”) the Board of Directors of PTC India Financial Services Limited (“Company”) has constituted a Nomination and Remuneration Committee.

The Committee’s role is to be supported by a policy for nomination of Directors and Senior Management Personnel including Key Managerial Personnel as also for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

Further, the Role of Nomination and Remuneration Committee (NRC) inter-alia, prescribes that a Policy on Diversity of Board of Directors needs to be devised pursuant to the requirement of Clause 3 Part D of Schedule II of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and the Companies Act, 2013.

Definitions

For the purpose of this Policy:

- ‘Act’ shall mean the Companies Act, 2013;
- ‘Board of Directors’ or ‘Board’, in relation to a company, means the collective body of the directors of PTC India Financial Services Limited (PFS);
- ‘Committee’ shall mean the Nomination and Remuneration committee of the Company, constituted and re constituted by the Board from time to time;
- ‘Company’ shall mean PTC India Financial Services Limited (PFS);
- ‘Directors’ means a director appointed to the Board of PFS;
- An independent director in relation to a company, shall mean a director referred to in Section 149 (6) of the Companies Act, 2013 and defined under SEBI (LODR) Regulations, 2015.
- ‘Other employees’ means, all the employees other than the Directors, KMPs and the Senior Management Personnel.
- “Key Managerial Personnel” in relation to a company, means—
 - (i) the Chief Executive Officer or the managing director or the 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; and
- (vi) such other officer as may be prescribed

- **‘Senior Management Personnel’** 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.
- **‘Nomination & Remuneration Committee’** means “Nomination & Remuneration Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Regulations.
- **“Diversity”** Includes differences that relate to gender, age, ethnicity, disability, sexual orientation and cultural background. In addition, Diversity also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills.

OBJECTIVE & PURPOSE

The Nomination & Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015. The objective and purpose of the Committee would be as follows:

- (1) formulation of 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 of the directors, key managerial personnel and other employees;
- (1A). 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. 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:
 - a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - (3) devising a policy on diversity of board of directors;
 - (4) 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.
 - (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 - (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Also Nomination Committee is to ensure 'fit and proper' status of proposed/ existing directors, as prescribed by RBI directions no.72.

- The Company has adopted a remuneration policy which provides for Performance Related Pay (PRP), a reward linked directly to efforts, performance, dedication and achievement relating to the Company's operations. Apart from the PRP, the annual increases in remuneration have a component of Merit Increase, which is also linked to performance of an individual.
This policy provides the Committee with an overall framework for governance of the remuneration policy of the Company.

To retain, motivate and promote talent and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.

CONSTITUTION

Constitution of the Nomination and Remuneration Committee as per Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

NOMINATION & REMOVAL CRITERIA

1 Appointment criteria and qualifications:

- 1.1 The Committee shall identify and ascertain the criteria like integrity, expertise and experience and qualifications for appointment to the positions of Director, KMP and Senior Management.
- 1.2 A potential candidate being considered for appointment to a position should possess adequate qualification, expertise and experience for the position. The Committee shall review qualifications, expertise and experience commensurate to the requirement for the positions. The Committee will insist on the highest standards of ethical and moral qualities to be possessed by such persons as are considered eligible for the positions.

- 1.3 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining whether the fit and proper criteria is met by the candidate in the opinion of the Committee.
- 1.4 The Committee may recommend appropriate induction & training programme for any or all of the appointees.
- 1.5 The Company shall normally not appoint or continue the employment of any person as Whole Time Director, KMP or Senior Management Personnel who has attained the superannuation age as per the policy of the Company.
- 1.6 The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a director subject to the provisions of law and the respective service contract.
- 1.7 The Committee shall recommend any necessary changes in the Policy to the Board, from time to time.
- 1.8 The Company should ensure that the person so appointed as Director/ Independent Director, KMP, Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.
- 1.9 The Director/ Independent Director/Senior Management Personnel/KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Regulations or any other enactment for the time being in force.
- 1.10 The company shall familiarize the independent directors with the company, including their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programs.

2 Term / Tenure

2.1 MD & CEO or Managing Director/Whole-time Director (WTD):

The Company shall appoint or re-appoint any person as its MD & CEO or WTD for a term not exceeding five years at a time subject to the age of superannuation. No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

2.2 Independent Director shall hold office in accordance with the Company's Policy and subject to the Act.

2.3 The Term/Tenure of the Senior Management Personnel/KMP shall be as per the Company's prevailing policy.

2. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons to be recorded in writing, removal of a director, KMP or senior management personnel, subject to the provisions and compliance of the Act, rules and regulations.

3. Diversity on the Board of the Company

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall conform to the following two principles for achieving diversity on the Board:

- ✚ Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- ✚ For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

- Gender- The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board.
- Ethnicity - The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.
- Educational qualification- The Directors of the Company shall have a mix of finance, engineering, legal and management background, so that they collectively provide the

Company with considerable experience in a range of activities including varied industries, education, policy and investment.

4. Remuneration

The level and composition of remuneration to be paid to the MD & CEO, Whole-Time Director(s), KMPs, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMPs, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and should encourage meeting of appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive / performance related pay reflecting achievement of short and long-term performance objectives appropriate to the working of the company and meeting its goals.

i. MD & CEO/ WTD

Besides the above Criteria, the Remuneration/ Compensation/ PRP / Bonus etc. to be paid to MD & CEO/ WTD shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force as also by Company policy.

ii. Non-Executive Directors/ Independent Directors

The Non-Executive / Independent Directors may receive sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of fees shall be such as determined by the Board of Directors from time to time.

iii. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be recommended by the MD & CEO (for KMPs other than those who are at the WTD / Board level) of the Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

iv. Other Employees

The power to decide structure of remuneration for other employees has been designed in the Remuneration policy and implementation of the same is to be ensured by MD & CEO of the Company or any other personnel that the MD & CEO may deem fit to delegate.

DISCLOSURE OF THIS POLICY

This Nomination & Remuneration policy shall be disclosed in the Board's report as required under the Companies Act, 2013 and in the Listing Regulations.

REVIEW

The Committee may assess the adequacy of this Policy and make any necessary or desirable amendments from time to time to ensure it remains consistent with the Board's objectives, current laws and best practices.

WEBSITE

The Policy will be uploaded on the Company's website i.e., www.ptcfinancial.com for public information.

Footnote:

Version 0: Original policy dated 27th March 2015

Version 1: First amendment dated 13th June 2020

Version 2: Second amendment dated 31 Jan 2024

This Policy has been communicated to all operational employees and other concerned persons of the Company and placed on the website of the Company at www.ptcfinancial.com.