

SHRIRAM VALUE SERVICES LIMITED
CIN U63090TN1995PLC033513

NOMINATION AND REMUNERATION POLICY

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and the relevant rules thereof. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees has been formulated in terms of the provisions of the Companies Act, 2013. This policy shall act as guidelines on matters relating to the remuneration, appointment of the Directors, Key Managerial Personnel, Senior Management and other employees.

DEFINITIONS

1. "Act" means the Companies Act, 2013 and the rules framed thereunder as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Company" means Shriram Value Services Limited
4. "Directors" mean Directors of the Company.
5. "Key Managerial Personnel" means
 - a) Managing Director or Chief Executive Officer(CEO)
 - b) Whole Time Director
 - c) Chief Financial Officer (CFO) and
 - d) Company Secretary.
6. "Policy or This Policy" means "Nomination and Remuneration Policy of the Company."
7. "Senior Management Personnel" means the personnel of the Company who are the members of its core management team excluding Board of Directors comprising all members of the management one level below the whole-time directors including the functional heads.

OBJECTIVE

This policy shall formulate the criteria for determining qualifications, positive attributes and independence of a director.

The policy shall ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(c) 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.

NOMINATION AND REMUNERATION COMMITTEE

The Members of the Nomination and Remuneration Committee (“the Committee or NRC”) shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.

The Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee. The Company Secretary shall act as the Secretary to the Committee.

MEETINGS OF THE COMMITTEE

The Committee shall meet twice in every financial year and in such other times when the situation arises. The Committee Members may attend the meeting physically or through video conferencing or audio visual as permitted under the Act 2013 and the rules made there under.

The quorum for any meeting of the Committee shall be either two members or one third of the members of the Committee whichever is higher (any fraction to be rounded off to the next whole number). All decisions taken at the Committee meeting shall be by a majority vote of the members present.

The Committee may invite such of the executives of the Company, as it considers appropriate to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company.

ROLES & RESPONSIBILITIES OF THE COMMITTEE

The Committee shall have the following roles and responsibilities.

Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee, recommend to the Board their appointment and removal.

The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the directors of the quality required to run the Company successfully.

Ensuring the remuneration to be paid to directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and to carry out evaluation of every director's performance.

REMUNERATION TO MANAGING DIRECTOR/CEO

The Committee is responsible for assisting the Board of Directors for determination of specific remuneration package for Managing Director & CEO, as applicable, including pension rights and any compensation payment on their behalf and also on behalf of the shareholders with agreed terms of reference in line the company's policies.

The Committee may develop guidelines for determining the annual basic salary, the annual incentive and bonus, including the specific goals and amount and the equity compensation for the Managing Director & CEO.

If the Company has no profits or its profit are inadequate in any financial year, then the Managing Director & CEO shall be entitled to receive the remuneration, perquisite and other benefits as may be recommended by the Committee, Board of Directors and shareholders subject to compliance with the applicable provisions of the Act read with Schedule V to the Act and relevant rules.

REMUNERATION TO INDEPENDENT DIRECTORS

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their

valuable advice, suggestion and guidance to the management of the Company from time to time. Therefore, the Committee, if deems fit, may consider paying remuneration to independent directors, subject to the approval of the Board and the Shareholders.

SITTING FEES

The directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board subject to a condition that the amount of such fees shall not exceed the amount as prescribed under the Act.

COMMISSION

The committee shall recommend to the Board to provide commission to the directors, KMP and other employees. The amount of commission will be decided by the Board of Directors for every financial year within the limit specified under the Act subject to the approval of shareholders obtained by passing necessary resolution in the general meeting of the Company, if necessary.

REMUNERATION TO KMP, SENIOR MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The remuneration (including revision) of KMPs (excluding Executive Directors), senior management personnel and other employees shall be determined by the board along with the head of Human Resource (HR) Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs shall also be subject to approval of the Board of Directors/concerned Committees, if stipulated by any Act, statute, regulations etc.

GENERAL

The Policy of the Company shall be displayed on the web site of the Company and shall also be disclosed in the Board's report..

The policy shall be amended in accordance with the amendments in the relevant provisions of law. It can also be amended by the Committee with the approval of the Board, if thought fit.