

# SUMMIT SECURITIES LIMITED

## Nomination and Remuneration policy

### 1 INTRODUCTION:

This policy has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the appointment and remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees and Board diversity.

### 2 OBJECTIVE:

This Policy sets out the guiding principles on:

- (i) appointment and remuneration of the Directors, KMP and SMP;
- (ii) qualifications, positive attributes and independence for appointment of a Director and assessment of independence of Independent Director;
- (iii) performance evaluation of all the directors;
- (iv) core skills/expertise/competencies required of the Board of Directors of the Company;
- (v) Board diversity.

### 3 DEFINITIONS:

- (i) “**Applicable Laws**” means the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.
- (ii) “**Board**” means Board of Directors of the Company.
- (iii) “**Company**” means Summit Securities Limited.
- (iv) “**Directors**” means Directors of the Company.
- (v) “**Independent Director**” (**ID**) shall have the same meaning as defined under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (vi) “**Key Managerial Personnel**” (**KMP**) means:
  - a) the Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager;
  - b) the Company Secretary (CS);
  - c) the Whole-time Director (WTD);
  - d) the Chief Financial Officer (CFO); and
  - e) Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board

(vii) **“Non-Executive Directors” (NED)** means a member of a Company's Board of Directors who is not in whole time employment of the Company.

(viii) **“Senior Management Personnel” (SMP)** mean persons working one level below CEO/ MD/ WTD/ Manager including Company Secretary and Chief Financial Officer or persons as may be defined as SMP in the Applicable Laws from time to time.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Applicable Laws as may be amended from time to time, shall have the meaning respectively assigned to them therein.

#### **4 DIVERSITY IN THE BOARD OF DIRECTORS**

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that each individual is unique. These aspects can include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills with a view to achieving a sustainable development, the Company shall aim to increase diversity at the Board level, as an essential element in terms of:

- Experience of diverse nature;
- Gender in having the right representation of female members to ensure compliance with applicable laws.
- Qualifications, Knowledge and core skills/expertise/competencies required of the Board of Directors in context of company's business/sector.

#### **5 REQUIREMENTS RELATING TO DIRECTORS**

##### **A. Appointment of Directors:**

The Company shall appoint those persons who possess requisite qualifications & experience and positive attributes within overall framework of diversity as described in this Policy.

##### **B. Qualifications & Experience:**

- (i) Any person to be appointed as a Director on the Board of Directors of the Company, including Independent Director shall, in addition to a formal professional qualification, possess appropriate skills, experience and knowledge in one or more fields viz. sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.
- (ii) Any person to be appointed as a Director on the Board of the Company shall be such person who shall be able to provide policy directions to the Company, including directions on good corporate governance

**C. Positive attributes:**

The person to be appointed as a Director of the Company shall, in addition to the formal qualifications and relevant experience described in this Policy, shall also possess the attributes such as integrity, leadership, business orientation, commitment, proven track record and such other attributes, which in the opinion of the NRC, are in the interest of the Company.

**D. Disqualification:**

Any person to be appointed as Director shall not possess the disqualifications prescribed under the Applicable Laws.

**E. Evaluation:**

- (i) The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance.
- (ii) The Board shall evaluate, every year, the performance of the individual directors including Chairman, IDs, independence of IDs, its own performance and of its Committees.

**F. Familiarization Programme:**

The Company shall familiarise the independent directors of the company with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company through various programmes.

**6 REQUIREMENT RELATING TO SENIOR MANAGEMENT PERSONNEL INCLUDING KEY MANAGERIAL PERSONNEL**

**A. Appointment of KMP and SMP including KMP:**

- (i) Based on the recommendation of NRC, the appointment of the MD, CEO, WTD, Manager, CFO and the CS shall be approved by the Board of Directors by means of a resolution.
- (ii) KMP shall not hold office in more than one company except in its subsidiary company at the same time.
- (iii) The appointments of SMP shall be approved by MD, if any or the Department Head on recommendation of the Human Resources Department (HRD). Remuneration payable to SMP shall be recommended by the NRC and approved by the Board.

## **B. Qualifications & experience:**

- (i) Any person to be appointed as KMP or as SMP shall possess relevant educational or professional qualifications, experience and domain knowledge required for performing the job for which they are appointed.
- (ii) There shall be no discrimination on account of gender, race and religion in terms of appointment as KMP or SMP.
- (iii) While considering appointment of any KMP or SMP, the following additional criteria may be considered by NRC.

## **C. Positive Attributes:**

- (i) KMP and the SMP shall also possess attributes like decision making skills, leadership skills, integrity and proven track record and shall demonstrate commitment to the organisation.
- (ii) KMP and SMP shall meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.

## **D. Performance Evaluation:**

- (i) Evaluation of all the SMPs and KMPs shall be carried out by the Departmental Head, excluding himself/herself and the MD/CEO/WTD, if any.
- (ii) The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Industry, the Company and of the individual KMP/SMP.
- (iii) Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.

## **7 REMUNERATION:**

### **Guiding Principles:**

- (i) The terms of employment and remuneration of MD, WTD, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent
- (ii) This Policy shall ensure that:
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/KMPs and SMPs 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, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
  - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders
- (iii) While determining the remuneration and incentives for the MD/ WTD and KMP's, the following shall be considered:
- (a) Pay and employment conditions with peers / elsewhere in the competitive market
  - (b) Benchmarking with the industry practices
  - (c) Performance of the individual
  - (d) Company Performance
- (iv) For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- (v) The pay structures shall be appropriately aligned across levels in the Company.

## **8 Remuneration Policy:**

### **A. MD/WTD/CEO/Manager:**

- (i) The remuneration to the MD/CEO/Manager/WTD at the time of his/her appointment shall be recommended by the NRC and subsequently approved by the Board of Directors. Such remuneration shall be subject to approval of the shareholders of the Company or the Central Government wherever required and shall not exceed the limits mentioned under applicable laws.
- (ii) Annual increment/ subsequent variation in remuneration to the MD/CEO/Manager/WTD shall be approved by the NRC/ Board of Directors, within the overall limits approved by the shareholders of the Company or the Central Government, as the case may be.

### **B. NEDs:**

- (i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.

- (ii) NEDs shall also be entitled for payment of commission as recommended by NRC and approved by the Board of Directors and wherever required approval of the shareholders shall be obtained.
- (iii) IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- (iv) The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

**C. SMPs & KMPs (other than MD/WTD/ CEO / Manager):**

- (i) Remuneration packages shall be designed in such manner that:
  - (a) Motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives & goals over the short and long-term.
  - (b) Attracts high-flier executives in a competitive global market and remunerate executives fairly and responsibly.
- (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits as per the Policy of the Company, considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions.
- (iii) The remuneration to the KMPs and SMPs, at the time of his/her appointment, shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be a combination of fixed and variable pay;
- (iv) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices/ trends shall also be given due consideration. Annual increment /subsequent variation in remuneration to the KMPs/SMPs shall be approved by the NRC/Board of Directors.
- (v) Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (vi) NRC may consider grant of Stock Options to KMPs & SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

#### **D. DIRECTOR AND OFFICERS LIABILITY INSURANCE:**

- (i) The Company may provide an insurance cover to Directors, KMPs & SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust and the premium paid on the same shall not be treated as a part of remuneration paid to them.
- (ii) The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPs and SMPs.

#### **9 AMENDMENTS TO THE POLICY:**

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

#### **10 EFFECTIVE DATE:**

This revised policy will be deemed to be effective from February 6, 2019 and supersedes the original policy approved by the Board of Directors at its meeting held on August 13, 2014, and revised on February 02, 2015 and November 9, 2016 respectively.