

NOMINATION AND REMUNERATION POLICY

SCOPE

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and all other employees of Spice Money Limited ('the Company') possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

This Policy has been developed and implemented by the Nomination and Remuneration Committee and is applicable to Directors, Key Managerial Personnel and other employees of the Company.

This Policy is in compliance with provisions of Section 178 of the Companies Act, 2013 and rules made thereunder and other applicable Laws, if any applies to the following categories of Directors and employees of the Company:

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| Part I | - Key Managerial Personnel |
| Part II | - Non-executive Directors / Independent Directors |
| Part III | - Other employees |

DEFINITIONS

- i. "Act" means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.
- ii. "Board" means the Board of Directors of the Company.
- iii. "Independent Director" means an Independent Director of the Company appointed in pursuance of the Act.
- iv. "Key Managerial Personnel" or "KMP" means person(s) appointed as such in pursuance of provisions of Section 203 of the Act.
- v. "NRC" means Nomination and Remuneration Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act.
- vi. "Other Employees" means all the employees of the Company other than the Key Managerial Personnel including Senior Management.
- vii. "Rules" means the rules framed under the Act.

Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act or any other relevant law.

GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS

The prospective Director:

- Should be a reasonable person with integrity and ethical standards.
- Should meet the requirements of the Act and other applicable laws for the time being in force.
- Should have the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, Corporate Governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/NRC.
- Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.

- Is expected to:
 - a. Uphold ethical standards of integrity and probity.
 - b. Act objectively and constructively while exercising his/her duties.
 - c. Exercise his/her responsibilities in a *bonafide* manner in the interest of the Company.
 - d. Devote sufficient time and attention for informed and balanced decision making.
 - e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
 - f. Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
 - g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
 - h. Assist the Company in implementing the best corporate governance practices.
 - i. Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
 - j. Have ability to read and understand the financial statements.
 - k. Protect confidentiality of the confidential and proprietary information of the Company.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.

COMPLIANCES

The terms/ process of appointment / re-appointment and remuneration of the Directors and other employees covered under this Policy shall be governed by the provisions of the Act, Rules, other applicable laws and policies and practices of the Company.

DISCLOSURES

This Policy shall be disclosed in the Board's Report of the Company.

REVIEW / AMENDMENT

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Act, and/or any other applicable law or regulation.

PART I – KEY MANAGERIAL PERSONNEL

Part I of this Policy comprises of two parts as under:

PART A - Managing Director / Whole-Time Director / Executive Directors

PART B - Chief Executive Officer, Chief Financial Officer, Company Secretary

PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS / EXECUTIVE DIRECTORS

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Managing Directors / Whole-time Directors / Executive Directors.

- The remuneration payable to the Managing Directors / Whole-time Directors / Executive Directors is commensurate with their qualification, experience and capabilities and takes into account the past performance and achievements of such Managing Directors / Whole-time Directors / Executive Directors. A suitable component of remuneration payable to the Managing Directors / Whole-time Directors / Executive Directors is linked to their performance, performance of the business and the Company.
- The remuneration payable to the Managing Directors / Whole-time Directors / Executive Directors is comparable with the remuneration paid to the Managing Directors / Whole-time Directors / Executive Directors of other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Director satisfies the criteria set out under the Act for eligibility to be appointed as ED.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

NRC shall identify suitable persons for appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider recommendations of NRC and approve the appointment and remuneration, subject to approval of the shareholders of the Company.

The appointment shall be formalized in accordance with the applicable laws.

Removal

Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company.

COMPONENTS OF REMUNERATION

Remuneration may consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits as per policy of the Company.
- Commission based on the net profits of the Company and variable pay based on the performance of the individual, business and the Company as a whole.
- No Sitting Fee shall be payable for attending the meetings of the Board or Committees thereof.
- Stock Options to the extent permitted under the applicable laws.
- Any other incentive as may be applicable.

The Board and the Shareholders of the Company may approve changes in the remuneration from time to time.

PART B - CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Company Secretary (“CS”).
- The remuneration payable to CEO, CFO, CS is commensurate with his/her qualification, experience and capabilities and takes into account the past performance and achievements of such individual. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size and complexity.
- Depending on the level of the employee, a suitable component of their remuneration may be linked to his / her performance, performance of the business and the Company and the Company as per the HR Policy of the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualification and experience as may be relevant to the task he / she is expected to perform.

NRC/ Board has the discretion to decide whether qualification, expertise, experience and attributes possessed by the person are sufficient / satisfactory for the concerned position.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

Appointment of KMPs (including terms and remuneration) shall be recommended by the NRC to the Board for its approval.

Removal

Where a KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other applicable law, rules and regulations, Code of Conduct and / or Policies of the Company, the Board may remove such KMP from the services of the Company on recommendation of the NRC.

ELEMENTS / COMPONENTS OF REMUNERATION

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration may consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options to the extent permitted under the applicable laws.
- Any other incentive as may be applicable.

PERFORMANCE APPRAISAL

Appraisal will be carried out by the NRC or such persons as may be designated for this purpose by NRC after taking into account the following:

- Individual's performance against Key Performance Indicators;
- The performance of:
 - a) individual;
 - b) business function handled by the individual; and
 - c) Company.
- The prevalent rate of increments given by companies of similar nature of business and size;
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

PART II – NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Non-Executive Directors / independent Directors.
- The remuneration payable to the Non-Executive Directors / Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size and complexity.

SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

NRC shall identify suitable persons for appointment and recommend their appointment to the Board for its consideration. The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-Executive and/or Independent Directors subject to approval of the shareholders of the Company.

The appointment shall be formalized in accordance with the applicable laws.

Removal

Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.

ELEMENTS/COMPONENTS OF REMUNERATION

- Variable remuneration - Commission - As a % of the Net Profits of the Company as approved by the Board and/or the Shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Stock Options to the extent permitted under the applicable laws.
- Payment to Non-Executive Directors and Independent Directors can be done pursuant to the provisions of the Companies Act, 2013.

PART III – OTHER EMPLOYEES

Part III of this Policy applies to appointment and remuneration of

PART A – Senior Management (Other than KMPs)

PART B – Other Employees

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment.
- Remuneration payable to the other employees is commensurate with their qualification, experience and capabilities and takes into account their past performance and achievements. Remuneration payable to them is comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of nature of business, size and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

Appointments to positions will be made as per the Company's HR policy read with the Management Delegation of Authority, if any, approved by the Board of Directors of the Company.

Removal

The Management of the Company may terminate the services of such employees as per HR Policy of the Company read with the Management Delegation of Authority, if any, approved by the Board of Directors.

ELEMENTS / COMPONENTS OF REMUNERATION

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration may consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options to the extent permitted under the applicable laws.
- Any other incentive as may be applicable.

PERFORMANCE APPRAISAL

Appraisal will be carried out by the human resource function in accordance with HR policy read with Management Delegation Authority, after taking into account the following:

- Individual's performance against Key Performance Indicators;
- The performance of the:
 - a) individual ;
 - b) business function handled by the individual; and
 - c) Company.
- The prevalent rate of increments given by the companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as employee.
