

INTEGRATED CAPITAL SERVICES LIMITED (ICSL)

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

The Board of Directors (the “**Board**”) of Integrated Capital Services Limited (the “**Company** or “**ICSL**”) has adopted the following policy and procedures with regard to Nomination and Remuneration.

In terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors of the Company.

2. CONSTITUTION OF COMMITTEE:

The Board of Directors of the Company (the Board) constituted the Committee known as Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one half are independent directors. The chairman of the Committee is an Independent Director. However, Chairperson of the Board (executive or non executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

3. OBJECTIVE:

The Nomination and Remuneration Committee and this policy shall be compliance in with Section 178 of the Companies Act, 2013 read alongwith the applicable rules thereto and Clause 49 of the Listing Agreement.

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The key objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of directors, KMP and senior management.
- b) Formulate the criteria for determining qualifications, positive attributes, and independence of a director and recommend the Board a Policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- c) Formulation of criteria for evaluation of Independent Directors and the Board.
- d) To evaluate the performance of the members of the Board and provide necessary report to the Board.
- e) To recommend to the Board remuneration payable to the directors, key managerial personnel and senior management.
- f) To retain, motivate and promote talent of directors, managerial personnel required to run the Company successfully.
- g) To assist the Board in fulfilling responsibilities.
- h) To implement and monitor policies and processes regarding principles of corporate governance.

4. APPLICABILITY:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel (KMP)
- c) Senior Management

5. DEFINITIONS:

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” means Directors of the Company.

“**Key Managerial Personnel**” means

- a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
- b) Chief Financial Officer;
- c) Company Secretary; and
- d) such other officer as may be prescribed.

“**Senior Management**” means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 as may be amended from time to time.

6. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT:

I. APPOINTMENT CRITERIA AND QUALIFICATION:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or Key Managerial Personnel or Senior Management and recommend to the Board for his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any director as Whole Time Director who has attained the age of seventy years. Provided that the term of a person holding such office may be extended beyond the age of 70 years with the approval of the shareholders by passing a special resolution. The explanatory statement to be annexed to the notice for passing of such special resolution should indicate the justification for extension of appointment of such person beyond seventy years.

II. TERM / TENURE:

- a) Managing Director / Whole Time Director:

The Company shall appoint or re-appoint any person as its Managing Director / Whole Time Director for a term not exceeding five years at a time.

b) Independent Director:

An Independent Director hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-Time Director of a listed company or such other number as may be prescribed in the Act.

III. EVALUATION:

The Committee shall carry out evaluation of performance of every director, key managerial personnel and senior management at annual intervals.

IV. REMOVAL:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules or regulations there under, the Committee may recommend, to the Board with reasons recorded in writing , removal of a Director, Key Managerial Personnel and/or Senior Management Personnel subject to the provisions of the Act, rules and regulations of the said Act.

V. RETIREMENT:

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act. The Board may have the discretion to retain a Director, Key Managerial Personnel and/or Senior Management Personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

7. POLICY FOR REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

A. Remuneration to Managing/Whole-time/Executive/Managing Director, Key Managerial Personnel and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per the provisions of the Companies Act, 2013 and the rules made there under or any other enactment for the time being in force.

B. Remuneration to Independent Directors:

The Non-Executive Independent Director may receive sitting fees subject to ceiling / limits as provided under the Companies Act, 2013 and rules made there under of any other enactment for the time being in force.

C. ROLES AND RESPONSIBILITIES IN RELATION TO NOMINATION MATTERS:

- a) Ensure that there is appropriate induction/policy in place for new Directors and members for senior management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- c) Identifying and determining the Directors who are to retire by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Evaluating the performance of the Board Members and Senior Management in the context of the Company's performance from compliance and business perspective;
- f) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the termination or suspension of service of an Executive Director as employee of the Company subject to the provision of the law.
- g) Recommend any necessary changes to the Board.
- h) Considering any other matters, as may be requested by the Board.

D. IN RELATION TO REMUNERATION MATTERS:

The duties of the Committee in relation to remuneration matters include:-

- a) Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.
- b) Approving the remuneration of the Senior Management including key managerial personnel of the Company, and maintain a balance between objectives appropriate to the working of the Company.
- c) Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- d) Considering any other matters as may be requested by the Board.

8. REVIEW AND AMENDMENT

- a) The Committee or the Board may review the Policy as and when it deems necessary.
- b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementations to this Policy, if it thinks necessary.
- c) This Policy may be amended or substituted by the Committee or by the Board as and when required where there is any statutory change necessitating change in the policy.