

INVENT ASSETS SECURITISATION & RECONSTRUCTION PRIVATE LIMITED

Nomination, Remuneration and Evaluation Policy

Adopted on	03.03.2023	
1st review	02.06.2023	Modified to include review timelines
2 nd review	16.05.2024	Modified to include suggestions by the RBI
3 rd review	13.12.2024	Changes in definitions
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5 th review	24.06.2026	Annual review – No change

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1. TITLE

This policy shall be called as “Nomination, Remuneration and Evaluation Policy”.

2. OBJECTIVE AND PURPOSE

The Company has in place, a Committee named as Nomination, Remuneration and HR Committee (“Committee”). Pursuant to the provisions of the Companies Act, 2013 and the Review of Regulatory Framework for Asset Reconstruction Companies (ARCs) issued by the Reserve Bank of India (RBI) on 11th October, 2022, the following policy has been prepared as per the requirement of the said provisions. The objective and purpose of the policy is:

- a) To ensure that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees.
- b) To ensure that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) To ensure that remuneration to Directors, Key Managerial Personnel, Senior Management and other employees involves a balance between fixed and incentives pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. DEFINITIONS

- i. **Board or Board of Directors** - means the Board of Directors of the Company.
- ii. **Company** shall mean Invent Assets Securitisation & Reconstruction Private Limited
- iii. **Committee** - means the Nomination, Remuneration and HR Committee of the Company.
- iv. **Fit and Proper** - means the fit and proper criteria as prescribed by the Reserve Bank of India from time to time.
- v. **Key Managerial Personnel** as defined in the Companies Act, 2013, as amended from time to time.
- vi. **Senior Management Personnel** shall mean personnel of the Company who are Members of its core management team excluding Board of Directors and Chief Executive Officer (CEO) including all functional heads and employees of the rank of Assistant Vice President and above.

4. POLICY

A) Appointment / Nomination Criteria:

The Committee shall identify and ascertain the integrity, qualifications, skills, expertise, background, experience, independence etc. of the person for appointment as a Director and Key Managerial Personnel (KMP) and recommend to the Board his / her appointment. The appointment of the Directors and KMP shall be as per the provisions of the Companies Act, 2013, SARFAESI Act, 2002, the Reserve Bank of India guidelines and other applicable laws, as amended from time to time.

- i) In case of appointment of Director, the Committee and the Board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India as amended from time to time and maintain the position during their tenure in office.
- ii) For the appointment of CEO, the Committee and the Board shall ensure that he/she meets the fit and proper criteria prescribed by the Reserve Bank of India as amended from time to time and maintain the position during their tenure in office.
- iii) For the appointment of KMPs (as defined under the provisions of Companies Act, 2013), the criteria shall be to identify and ascertain integrity, qualification, skills, expertise, industry experience, back ground etc. of the person proposed to be appointed and the appointment of such KMPs shall be recommended by the Committee and approved by the Board.
- (iv) For the appointment of Senior Management Personnel, the criteria shall be to identify and ascertain integrity, qualification, skills, expertise, industry experience, back ground etc. of the person proposed to be appointed and the appointment of such personnel shall be recommended by the CEO and approved by the Committee.
- iv) For the appointment of any other employees not included in the definition of Senior Management Personnel, the criteria shall be to identify and ascertain integrity, qualification, skills, expertise, industry experience, back ground etc. of the person proposed to be appointed and the said appointment shall be approved by the CEO.
- v) The Committee shall ensure that no person shall continue as MD/ CEO or WTD beyond the age of 70 years.
- vi) Any other criteria as the Committee may deem fit and / or mentioned in the applicable laws.

B) Evaluation:

- i) The Committee shall carry out evaluation of performance of Board, its Committees and individual director on annual basis as per the provisions of the Companies Act, 2013, as amended from time to time. The manner of evaluation can be in the questionnaire form, rating form or in any other manner as may be decided by the Committee from time to time. The performance parameters includes, but not limited to expertise, objectivity & independence, understanding of the Company's business, willingness to devote the time, participation in discussion, responsiveness, composition of Board/Committees, frequency of meetings etc.
- ii) The performance of MD/ CEO and WTD shall be reviewed by the Board annually based on their performance, achievements, ratings, Company's business performance, observation received from regulatory authority
- iii) The evaluation of the KMP shall be done by the Committee based on their performance, achievements, ratings, Company's business performance, observation received from regulatory authority etc.

iv) The performance evaluation of the Senior Management Personnel and other employees shall be as per the Company's performance, annual appraisal process, prevailing HR Policies and HR framework implemented by the Company from time to time. The performance evaluation of the Directors, CEO and Committees shall be appropriately take into account the adherence to regulatory and statutory compliances. Any lapses observed in such compliances shall be duly deliberated and duly considered during the evaluation process.

C) Removal:

In case of any disqualification mentioned in the Companies Act, 2013, RBI guidelines, rules and regulations thereunder or under any other applicable laws and breach of Company's prevailing HR Policies, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules, regulations and HR Policies.

D) Remuneration:

The compensation structure may also include stock options targeting employee participation in ownership of the Company and to ensure the retention of potential talents for the future growth and diversity of the Company. Any Independent Director shall not be entitled to any stock options.

a) Executive Chairman / Managing Director / Whole-time Director:

i. The remuneration / commission / bonus / performance linked incentives etc. to the Executive Chairman / Managing Director / Whole-time Director, will be determined by the Committee and recommended to the Board for their approval. The remuneration / compensation / commission etc. shall be as per the provisions of the Companies Act, 2013, and the rules made thereunder as amended from time to time and other applicable laws, if any.

ii. Increments / Revision to the existing remuneration / compensation structure shall be recommended by the Committee to the Board for its consideration and approval.

b) Non-Executive Director / Independent Director:

i) The Commission may be paid to the Non-Executive Director / Independent Director as per the provisions of Articles of Association, Companies Act, 2013, rules made there under and other applicable laws, if any.

ii) The Non-Executive Directors / Independent Director may receive sitting fees for attending meetings of Board or Committee(s) thereof approved by the Board from time to time in line with the applicable provisions of the Companies Act, 2013.

c) KMP and Senior Management Personnel:

i) The remuneration to the KMPs and Senior Management Personnel of the Company shall be in line with the Company's philosophy to provide fair compensation to key– executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

ii) The remuneration of KMPs, Senior Management Personnel at the time of appointment and promotions including performance linked incentives, any revision / increments shall be recommended by the CEO to the Committee for its consideration and approval based on the annual performance review. The said review by the Committee shall be conducted once in a year in the month of April/ May.

d) Remuneration of Other Employees

Apart from Directors, KMP and Senior Management personnels, the remuneration of other employees at the time of appointment and promotions including performance linked incentives, any revision / increments shall be recommended by the CEO to the Committee for its consideration and approval based on the annual performance review. The said review by the Committee shall be conducted once in a year in the month of April/ May.

e) AMENDMENTS

Any subsequent amendment / modification in the applicable laws in this regard shall automatically apply to this policy.

The policy shall be reviewed annually and may be amended by the Board on the recommendation of the Committee as and when required.