



CIN: U74101UP2011PLC047839

NOMINATION AND REMUNERATION COMMITTEE POLICY

Abacus Lifestyle Brands Limited ("Company") has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and Regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

The purpose of this Policy is to establish and govern the applicable procedure:

1. To evaluate the performance of the members of the Board.
2. To ensure remuneration to Directors, KMP 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.
3. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial people and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

OBJECT OF THE POLICY

The key objectives of this Policy are:

- a. To recommend policy relating to the remuneration of the Directors, KMPs, SMPs and other employees to the Board of Directors of the Company.
- b. To ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the company successfully.
- c. That the remuneration of Directors, KMPs, SMPs and other employees 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.
- d. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to be appointed to the position of Directors, KMPs, SMPs and other employees, and to determine their remuneration.
- e. To achieve a performance driven culture that generates organizational growth.
- f. To attract, retain and motivate the best talent, to run the business efficiently and effectively.
- g. To ensure the financial and operating performance of the Company over the preceding three years is considered while determining the remuneration.
- h. To ensure there is a principle of proportionality while determining the remuneration.

- i. To provide clear focus and measurement on key objectives with a meaningful link to rewards.

DEFINITION:

"Board of Director" or "Board" means the Board of Directors of the Company in terms of Regulation 2(d) of SEBI Listing Regulations as constituted from time to time.

"Executive Director(s)" means the Directors who are in whole-time employment of the Company viz. Managing Director and Whole-time Director.

"Independent Directors" means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Non-Executive Director(s)" means Directors who are not in whole-time employment of the Company.

"Nomination and Remuneration Committee" ("the Committee"), by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Senior Management Personnel" or "SMP(s)" shall mean the officers and personnel of the issuer who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer ("CEO"), Managing Director, Whole-Time Director, or Manager (including the CEO and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

"Key Managerial Personnel" (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and SEBI Listing Regulations, as may be amended from time to time, shall have meaning respectively assigned to them therein.

COMPOSITION OF THE COMMITTEE:

The composition of the Committee shall be at least three directors; all directors of the NRC shall be Non-Executive Directors; and at least two-thirds of the directors shall be independent directors in compliance with the provisions of Section 178 of the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The chairperson of the NRC shall be an independent director, provided that the chairperson of the listed entity, whether Executive or Non-Executive, may be appointed as a member of the NRC and shall not chair such Committee.

NRC Committee of the Company:

Name Of the Director	Category of director	Designation
Mrs. Divya Nemichand Gupta	Independent Director	Chairperson
Mr. Nehil Gautamchand Dugar	Independent Director	Member

Mr. Sachin Pathak	Non-Executive Director	Member
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MEETING OF THE COMMITTEE:

The NRC shall meet at least once in a financial year.

The quorum for a meeting of the NRC shall be either two members or one third of the members of the NRC, whichever is greater, including at least one independent director in attendance.

ROLE OF COMMITTEE:

The Committee shall:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agency, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Advise and recommend to the Board on various matters relating to the appointment, removal and remuneration (including changes if any) of Director, SMP and KMP;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- Assist and advise the Board in overseeing succession planning for Directors, KMP and SMP;
- Assist and advise the Board in ensuring a transparent nomination process to the Board with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

- To act as Administrator and superintendent of the Stock Option Plans of the Company;
- Carrying out any other functions required to be carried out by the NRC as is mandated by the Board as required under SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) Appointment of Directors is subject to compliance with Section 164 of the Act and provisions of other applicable laws and shall not be debarred from holding the office of Director by virtue of any SEBI order or any other authority, pursuant to NSE and BSE Circular dated June 20, 2018.
- d) Appointment of Independent Directors shall be subject to compliance with Section 149 of the Act read with Schedule IV and SEBI Listing Regulations and shall be registered with Independent Directors databank managed Indian Institute of Corporate Affairs in compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and shall comply with the requirement under Rule 6(4) of the aforesaid rule.
- e) The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act.
- f) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

The proposed appointee shall also fulfill the following requirements:

- (i) Shall be a person of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- (ii) Shall have other appropriate qualification/experience to meet the objectives of the Company;
- (iii) Shall possess a Director Identification Number;
- (iv) Shall not be disqualified under the Act, SEBI Listing Regulations and any other relevant law;
- (v) Shall give his written consent to act as a Director;
- (vi) Shall endeavour to attend all board meetings and wherever he is appointed as a committee member, the committee meetings:

- (vii) Shall abide by the Code of Conduct established by the Company for Directors and SMP;
- (viii) Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- (ix) and such other requirements as may be prescribed, from time to time, under the Act, the SEBI Listing Regulations and other relevant laws.

TERM/TENURE:

The Term of the Directors including Managing/Whole time Director/ Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole-time Director) shall be governed by the prevailing HR policies of the Company

EVALUATION:

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. The Framework for performance evaluation of Independent Directors and the Board is decided by Board and the Committee time to time.

REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

The resultant vacancy caused by removal of Directors may be filled by the NRC in accordance with this Policy and the applicable laws.

RETIREMENT:

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing /

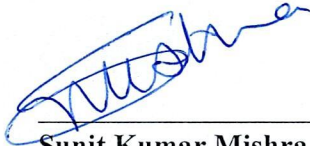
Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) based on the standard market practice and prevailing HR policies of the Company.

2) Remuneration to Non-Executive / Independent Directors:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**On and behalf of the Board of Directors
For Abacus Lifestyle Brands Limited**



**Sunit Kumar Mishra
DIN: 05124540
Managing Director**