

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors and key managerial personnel of the company, to harmonize the aspirations of human resources consistent with the goals of the company and 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/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) in their meeting held on 27th May, 2014 constituted the committee to be known as the 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, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee." At present, the Committee comprises of following Members:

- Mr. Arun Kumar Gupta
- Mr. Sunil Kumar Jain
- Mr. Alok Kumar Bansal
- Mr. Ashok Kumar Agarwal

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under 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 and delegation of the power to the management in relation to their appointment and revision of the salary of KMP & Senior Management other than Executive Directors. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel
- To delegate the power to appoint and removal of Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of
- Director and the Board.

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel
- To delegate to the management regarding remuneration of the Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

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

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**” mean Directors of the Company.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

“**Company**” means Globe Capital Market Limited.

“**Independent Director**” As defined under section 149 of Companies Act, 2013 and clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a nominee director of the company:

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) Who is not related to promoters or directors in the company, its holding, subsidiary or associate company.

- c) Apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent. Or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) Who, neither himself nor any of his relatives —
- holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - holds together with his relatives two per cent or more of the total voting power of the company; or
 - is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - is a material supplier, service provider or customer or a lessor or lessee of the company;
 - who is not less than 21 years of age.

“Key Managerial Personnel” means

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

“Senior Management” means 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, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his / her appointment,
- b) The Committee delegate the power to Management to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Senior Management;
- c) 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 person are sufficient / satisfactory for the concerned position.
- d) 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to 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 up to maximum of 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 under the Act.

c) KMP & Senior Management other than executive Director:

The Company shall appoint or re-appoint any person as a KMP & Senior Management other than executive Director for such term as they think fit for the organization.

3. Evaluation

a) Director:

The Committee/ Board shall carry out evaluation of performance of every Director, at regular interval (yearly) or at such intervals as may be considered necessary. While evaluating, the following points shall be considered as the specific criteria:

- Qualification to act at such position
- Quality of work
- Quantity of work
- Positive attributes
- Timeliness towards the management

b) KMP & Senior Management:

The Committee/ Management of the Company shall carry out evaluation of performance of every KMP & Senior Management at yearly basis or at such intervals as may be considered necessary. While evaluating, the following points shall be considered as the specific criteria:

- Qualification to act at such position
- Quality of work
- Quantity of work
- Positive attributes
- Timeliness towards the management

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, 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 and regulations.

5. 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

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director and KMP to the Board for their approval.

The remuneration paid to senior Management of the Company shall be in accordance with the company HR policies.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

i. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

ii. Non executive Independent Directors

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

iii. KMPs / Senior Management Personnel etc

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

iv. Senior Management Personnel etc

The Remuneration to be paid to senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the company HR policies subject to the limits if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

v. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 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;

- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

DUTIES IN RELATION TO REMUNERATION MATTERS

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

- 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 all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the management of the Company.
- Considering any other matters as may be requested by the Board.

REVIEW AND AMENDMENT

- The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.
- The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.