PACE E-COMMERCE VENTURES LIMITED

NOMINATION AND REMUNERATION POLICY

1. **<u>Introduction</u>**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees 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 this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

This Policy shall be administered and reviewed by the Nomination and Remuneration Committee ("Committee") and shall be approved by the Board of Directors of the Company.

2. **<u>Objective and purpose of the Policy</u>**

The objective and purpose of this policy are:

a. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors, including Executive and Non-Executive and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

b. To determine remuneration based on the Company's size, financial position, performance, business requirements and prevailing practices;

c. To formulate criteria for determining qualifications, positive attributes and independence of Directors;

d. To carry out evaluation of the performance of Directors, Key Managerial Personnel and Senior Management Personnel;

e. To provide a framework for remuneration which appropriately reflects the Company's performance, individual performance, responsibilities, experience and expertise;

f. To retain, motivate and promote talent and ensure long-term sustainability of talented managerial personnel; and

g. To ensure that remuneration and appointment decisions are made in accordance with applicable provisions of the Companies Act, 2013, the rules made thereunder and applicable SEBI regulations.

3. Definitions

1. **"Act"** means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
2. **"Board"** means the Board of Directors of the Company.
3. **"Committee"** means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. **"Company"** means Pace E-Commerce Ventures Limited.
5. **"Director"** means a Director of the Company.
6. **"Independent Director"** means an Independent Director as referred to under Section 149(6) of the Act and applicable regulations.
7. **"Key Managerial Personnel" or "KMP"** shall have the meaning assigned to it under the Act and applicable regulations.
8. **"Senior Management"** shall have the meaning assigned to it under the applicable provisions of the Act and SEBI regulations, as amended from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act, rules made thereunder or applicable SEBI regulations shall have the meanings respectively assigned to them therein.

4. Applicability

The Policy is applicable to:

- Executive Directors
- Non-Executive Directors
- Independent Directors
- Key Managerial Personnel
- Senior Management Personnel

5. Role of the Nomination and Remuneration Committee

The Committee shall:

a. Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a Director;

b. Identify persons who are qualified to become Directors and persons who may be appointed in KMP and Senior Management positions in accordance with the criteria laid down in this Policy;

c. Recommend to the Board the appointment, re-appointment and removal of Directors, KMP and Senior Management Personnel;

d. Recommend to the Board the remuneration payable to Executive Directors, KMP and Senior Management Personnel;

e. Review the performance of Directors, KMP and Senior Management Personnel at regular intervals;

f. Recommend to the Board the remuneration payable to Non-Executive Directors and Independent Directors, including sitting fees and commission, wherever applicable;

g. Review the compensation structure of Directors, KMP and Senior Management from time to time; and

h. Perform such other functions as may be prescribed under the Act, applicable SEBI regulations or as may be assigned by the Board from time to time.

General:

This Policy is divided in three parts:

1. Part – A covers Appointment and Nomination
2. Part – B covers remuneration policy
3. Part – C covers general provisions.

PART – A

Appointment and Nomination

6. Appointment Criteria and Qualifications

- The Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his/her appointment.
- The person proposed to be appointed shall possess adequate qualification, expertise and experience considered necessary for the position.
- The Committee shall have discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient and satisfactory for the concerned position.
- The appointment of Directors, KMP and Senior Management Personnel shall be subject to the applicable provisions of the Act, rules made thereunder, the Articles of Association of the Company and applicable SEBI regulations.

7. Positive attributes of Directors

The Committee shall consider, inter alia, the following attributes while recommending appointment of a Director:

a. Integrity, ethical standards and sound reputation;

b. Relevant knowledge, skills, experience and expertise;

c. Ability to exercise independent judgment;

d. Commitment to devote sufficient time and attention to the affairs of the Company;

e. Ability to contribute constructively to the deliberations of the Board;

f. Understanding of the Company’s business, industry and regulatory environment; and

g. Such other attributes as may be considered appropriate by the Committee and Board.

8. CRITERIA FOR INDEPENDENCE

The Committee shall assess the independence of Independent Directors in accordance with the applicable provisions of the Act and SEBI regulations.

Each Independent Director shall submit the necessary declaration regarding his/her independence in accordance with applicable law.

The Board shall consider the declaration of independence and other relevant information before confirming the status of an Independent Director.

9. Tenure / Term

9.1 Managing Director / Whole-time Director / Executive Director

The Company shall appoint or re-appoint any person as Managing Director, Whole-time Director or Executive Director for a term not exceeding five years at a time, subject to the applicable provisions of the Act and the Articles of Association of the Company.

No re-appointment shall be made earlier than one year before the expiry of the term, except as otherwise permitted under applicable law.

9.2 Independent Director

An Independent Director shall hold office for such term as may be permitted under the Act and applicable regulations. An Independent Director shall be eligible for re-appointment subject to the approval of the Members by way of the requisite resolution and compliance with applicable law. No Independent Director shall hold office for more than the number of consecutive terms permitted under applicable law.

10. Age Limit

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, except as may be permitted by the Act and subject to the requisite approval of the Members and other applicable requirements.

11. Evaluation

The Committee shall carry out evaluation of the performance of every Director, KMP and Senior Management Personnel at regular intervals, at least annually or as may be prescribed.

The performance evaluation shall be carried out in accordance with applicable provisions of the Act, applicable SEBI regulations and such criteria as may be determined by the Committee and Board.

12. Removal

Due to reasons for any disqualification prescribed under the Act, rules made thereunder or any other applicable law, the Committee may recommend to the Board, with reasons recorded in writing, the removal of a Director, KMP or Senior Management Personnel, subject to applicable law.

13. Retirement

The Director, KMP and Senior Management Personnel shall retire in accordance with the applicable provisions of the Act, rules made thereunder and the prevailing policy of the Company.

The Board may retain a Director, KMP or Senior Management Personnel in the same position or otherwise after attaining the applicable retirement age, where permitted under law and considered to be in the interest of the Company.

PART –B

REMUNERATION POLICY

14. General Principles:

The remuneration payable to Directors, KMP and Senior Management Personnel shall be determined with due regard to:

a. The size and financial position of the Company;

b. The performance of the Company;

c. The responsibilities and duties attached to the position;

d. Individual performance, qualifications, experience and expertise;

e. Prevailing remuneration practices in the industry;

f. Applicable statutory and regulatory requirements; and

g. The need to attract, retain and motivate competent personnel.

The remuneration structure shall be reasonable and aligned with the long-term interests of the Company and its stakeholders.

15. Remuneration of Executive / Whole-Time / Managing Director

The remuneration, compensation, commission and perquisites payable to the Managing Director, Whole-time Director or other Executive Director shall be determined by the Committee and recommended to the Board for approval.

Such remuneration shall be subject to the approval of the Members and/or other authorities wherever required under applicable law.

The remuneration and commission payable to the Managing Director / Whole-time Director shall be in accordance with the Articles of Association of the Company and applicable provisions of the Act and rules made thereunder.

16. <u>Fixed Pay</u>

The Whole-time Director, KMP and Senior Management Personnel may be eligible for remuneration as may be approved by the Board on the recommendation of the Committee.

The remuneration may include salary, allowances, perquisites, employer's contribution to provident fund, pension or other retirement benefits, medical benefits and other benefits, as may be applicable and approved in accordance with law.

17. <u>Performance Linked Remuneration</u>

The Committee may recommend increments, performance-linked remuneration, incentives or other compensation based on the performance of the Company and the concerned individual.

Any such remuneration shall remain subject to applicable statutory limits and approvals.

18. <u>Minimum Remuneration</u>

Where, in any financial year, the Company has no profits or its profits are inadequate, remuneration to the Managing Director / Whole-time Director shall be governed by the applicable provisions of the Act and Schedule V thereto.

19. <u>Remuneration Of Non-Executive Directors</u>

The remuneration payable to Non-Executive Directors shall be determined in accordance with the Articles of Association of the Company, applicable provisions of the Act and applicable SEBI regulations.

The remuneration may comprise:

a. Sitting fees for attending meetings of the Board or Committees thereof;
b. Commission, where approved by the Members and permissible under applicable law;
c. Reimbursement of reasonable expenses incurred in connection with attending Board/Committee meetings or for the business of the Company; and
d. Professional fees for professional services rendered by a Director, where such services are of a professional nature and the Director possesses the requisite qualifications, subject to applicable provisions of the Act and applicable approvals.

20. Sitting Fees

Non-Executive Directors, including Independent Directors, may receive sitting fees for attending meetings of the Board or Committees thereof, or such other meetings as may be permitted under applicable law.

The amount of sitting fees shall be determined by the Board on the recommendation of the Committee and shall remain within the limits prescribed under applicable law.

21. Commission to Non-Executive Directors

Commission may be paid to Non-Executive Directors, including Independent Directors, where approved by the Members and permissible under applicable law.

The aggregate remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors shall remain within the limits prescribed under Section 197 of the Act and other applicable provisions.

22. Professional Fees

A Director may receive remuneration for services rendered in any other capacity where:

a. The services rendered are of a professional nature; and
b. The Director possesses the requisite qualification for the practice of the profession, subject to the applicable provisions of the Act and necessary approvals.

23. Reimbursement Of Expenses

Non-Executive Directors and Independent Directors may be reimbursed reasonable expenses actually incurred for attending Board/Committee meetings or for undertaking activities on behalf of the Company, including travel, boarding, lodging and other incidental expenses.

24. Remuneration Of Independent Directors

An Independent Director shall not be entitled to any stock option of the Company. Subject to applicable law, an Independent Director may receive:

a. Sitting fees for participation in meetings of the Board or Committees thereof;
b. Reimbursement of expenses for participation in Board and other meetings; and
c. Profit-related commission, where approved by the Members and permissible under applicable law.

25. Stock Options

Stock options, if any, shall be granted in accordance with the applicable law and the Company's duly approved employee stock option scheme.

An Independent Director shall not be entitled to stock options in accordance with Section 197(7) of the Act.

Any stock option granted to a Non-Executive Director, where legally permissible, shall be subject to the applicable statutory and regulatory requirements and approvals.

26. Excess Remuneration

If any Director draws or receives, directly or indirectly, remuneration in excess of the limits prescribed under the Act or without the requisite approval, where required, such Director shall refund the excess remuneration to the Company and hold such amount in trust for the Company until refunded.

The Company shall not waive recovery of any amount refundable unless permitted under applicable law.

PART – C

GENERAL PROVISIONS

27. Compliance With Law

In the event of any inconsistency between this Policy and the provisions of the Act, rules made thereunder, SEBI regulations or any other applicable law, the provisions of such applicable law shall prevail.

28. Disclosure

The Company shall make such disclosures regarding this Policy, remuneration of Directors and other matters as may be required under the Act, applicable SEBI regulations and other applicable laws.

The criteria for making payments to Non-Executive Directors shall be made available on the website of the Company, wherever required under applicable regulations.

29. Review And Amendment

The Committee shall review this Policy periodically and may recommend amendments to the Board as may be considered necessary to ensure compliance with applicable laws, regulations and changing business requirements.

The Board may amend, modify or revise this Policy from time to time, subject to the provisions of the Act and applicable SEBI regulations.

30. Effective Date:

This Policy shall be effective from the date of its approval by the Board of Directors of the Company and shall supersede the earlier Nomination and Remuneration Policy and the separate Criteria/Policy of Making Payments to Non-Executive Directors of the Company.