

NOMINATION AND REMUNERATION POLICY OF HCKK VENTURES LIMITED

I. PREAMBLE:

In terms of Section 178 of the Companies Act, 2013 (“the **Act**”) read along with prescribed rules and Regulation 19(4) read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

II. OBJECTIVE:

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP and senior management personnel.

The Key Objectives of the committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To formulate the criteria for evaluation of performance of Independent Directors and the Board.

III. DEFINITIONS:

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

“**Company**” means “HCKK VENTURES LIMITED.”

“**Committee**” shall mean a Nomination and Remuneration Committee of Board of Directors of the Company, constituted or reconstituted by the Board in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“**Employees’ Stock Option**” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means

- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer and
- Such other officer, not more than one level below the Directors who is in whole time employment, designated as KMP by the Board and such other officer as may be prescribed.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“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” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

IV. COMPOSITION OF THE COMMITTEE:

The composition of the Committee is / shall be in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

V. GUIDING PRINCIPLES:

The Policy ensures that:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Managerial Personnel of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel 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.

VI. ROLE OF THE COMMITTEE:

The role of the Committee inter alia will be the following:

- (i) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

(ii) To evaluate, for every appointment of an independent director, 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:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

(iii) To formulate criteria for evaluation of Independent Directors and the Board.

(iv) To identify persons who are qualified to become Directors, KMP and Senior Management Personnel in accordance with the criteria laid down in this policy.

(v) To carry out evaluation of every Director's performance.

(vi) To recommend to the Board the appointment and removal of Directors, KMP and Senior Management.

(vii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(viii) Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(ix) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;

(x) To devise a policy on Board diversity;

(xi) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management;

(xii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

VII. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

(i) 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 or at Senior Management level and recommend to the Board 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 are sufficient / satisfactory for the concerned position.

c) The Company shall appoint or re-appoint any person as its Managing Director/Whole-time Director/Manager (Managerial Person) 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.

d) The Company shall not appoint or continue the employment of any person as a Managing Director, Whole-time Director or Manager 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 indicating the justification for extension of appointment beyond seventy years).

e) Appointment of 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, 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.
- The Independent Director appointed will adhere to the Code, pursuant to Schedule IV to the Companies Act, 2013.

(ii) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management Personnel.

(iii) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 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.

VIII. EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

IX. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

(i) Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole - time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

(ii) Remuneration to Non-Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) Any remuneration paid to Non-Executive Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(iii) Remuneration to Key Managerial Personnel and Senior Management:

(a) The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

(b) The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

(c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

(iv) Insurance:

Where any insurance is taken by the Company on behalf of its Directors, KMP, Senior management and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

X. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

XI. FREQUENCY OF MEETING:

The meeting of the Nomination and Remuneration Committee shall be held at least once in a year or more at such regular intervals as may be required by the Committee.

XII. MINUTES:

Minutes of the Proceedings of all meetings of the committee must be signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

XIII. IMPLEMENTATION:

(i) The clauses of policy shall be applicable as far as they are mandatory under the governing laws. In case if there is an exemption to company as per governing laws regarding implementation of the clause, it shall be voluntary for the Company to implement such a clause.

(ii) The Committee may issue guidelines, procedures, formats, reporting mechanism and

manuals in supplement and for better implementation of this policy as considered appropriate.

XIV. REVIEW AND AMENDMENT:

(i) The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

(ii) In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be amended accordingly.
