

SPEEDAGE TRADE LIMITED

Nomination and Remuneration Policy

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 ("the Act"), as amended from time to time, read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- J To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "KMP") and other employees as may be prescribed under the Act.
- J To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- J To recommend to the Board on Remuneration payable to the Directors, KMP and other employees as may be prescribed under the Act.
- J To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- J To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- J **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- J **Board** means Board of Directors of the Company.
- J **Independent Director** means a director referred to in section 149(6) of the Companies Act, 2013.
- J **Committee/ Nomination and Remuneration Committee** means a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of section 178 of the Companies Act, 2013 and SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015.
- J **Key Managerial Personnel (KMP) means**
 - J Executive Chairman
 - J Managing Director;
 - J Chief Financial Officer;
 - J Company Secretary;
 - J Whole Time Director

- J Other Employees prescribed under the act means personnel of the Company who are members of its core management team being one level below the Board.

3. ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.

The Committee shall:

- J Formulate 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;
- J Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- J Devising a policy on diversity of board of directors;
- J Identify persons who are qualified to become Director 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.
- J Determination of extension or continuation of the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.

3.2 Policy for appointment and removal of Director, KMP and other employees

Appointment criteria and qualifications

- J The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at other level as may be prescribed under the law and recommend to the Board his / her appointment.
- J 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 is sufficient / satisfactory for the concerned position.
- J 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.

Term /Tenure

- J 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.
- J Independent Director -An Independent Director can hold office for a term up to five consecutive years or such shorter period 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 shall be made in the Board's report.
- J No Independent Director shall hold office for more than two consecutive terms of upto 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.
- J 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.

Evaluation:

The Committee either by itself or by holding an Independent Directors meeting shall carry out yearly performance evaluation for all Board members.

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 other employee subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and other employees 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, other employees in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3.1 Policy relating to the Remuneration for the Whole-time Director, KMP and other employees

- J) The remuneration/compensation/commission etc. to the Whole time Director, KMP and other employees will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, whenever required.
- J) The remuneration and commission to be paid to the Whole time Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- J) Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which would be within the slabs approved by the Shareholders in the case of Whole time Director.
- J) Where any insurance is taken by the Company on behalf of its Executive Chairman /Whole Time Director, Managing Director/ Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- J) In case any difficulty or doubt arises in the interpretation or implementation of this policy, the decision of the Chairman/ Managing Director of the Company shall be final. In exceptional circumstances, the Chairman / Managing Director shall be authorized to exercise functions vested in the committee in so far as these relate to Key Managerial Personnel and other employees; provided however that such actions taken by the Chairman and Managing Director shall be placed before the Committee for ratification in the succeeding meeting.

3.3.2 Remuneration to Whole Time/ Executive/Managing Director, KMP and other employees

Fixed pay:

The Whole-time Director/ KMP and such other employees shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc, shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration:

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without the prior sanction of the Central Government, where it is required, he shall refund such sums to the company and until such sum is refunded, hold it in trust for the company.

3.3.3 Remuneration to Non- Executive / Independent Directors

- J 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.
- J 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.
- J An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- J Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause above if the following conditions are satisfied.
 - J The Services are rendered by such Director in his capacity as the professional; and
 - J In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

4. MEMBERSHIP

- J The Committee shall consist of a minimum 3 non-executive directors or more, out of which not less than half shall be an Independent Director.
- J Minimum two (2) members shall constitute a quorum for the Committee meeting.
- J Membership of the Committee shall be disclosed in the Annual Report.
- J Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

- J Chairperson of the Committee shall be an Independent Director.
- J Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- J In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- J Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- J A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- J The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary or his nominee of the Company shall act as Secretary of the Committee.

9. VOTING

- J Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- J In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. DUTIES

- J Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;
- J Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;
- J Evaluation and recommendation of termination of membership of individual directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
- J Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);
- J Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;
- J Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
- J Reviewing and recommending to the Board, matters relating to revision of compensation/ salary and long term wage settlements;
- J Determination of compensation levels payable to the senior management personnel and other staff (as deemed necessary) which shall be market-related, usually consisting of a fixed and variable component;
- J Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- J Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- J Determining Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- J Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - o The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

- The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
-)] Consideration and approval of employee stock option schemes and to administer and supervise the same;
-)] Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc;
-)] Reviewing, with the management, all human resource related issues from time to time so as to maintain harmonious employer-employee relations;
-)] Periodically reviewing and re-examining the terms of reference and making recommendations to Board for any proposed changes;
-)] Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;
-)] Ensuring proper induction program for new directors, KMP and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
-)] Developing a succession plan for Board and senior management and regularly reviewing the plan;
-)] Consideration and determination of the nomination and remuneration policy based on 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;
-)] Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and
-)] Performing such other activities as may be delegated by the Board and / or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

11. MINUTES OF COMMITTEE MEETING

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

12. AMENDMENT

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

Any change/amendments to this policy shall be recommended by the Nomination & Remuneration Committee and approved by the Board.