



# *Clearcorp Dealing Systems (India) Limited*

## **APPOINTMENT AND REMUNERATION POLICY**

The Board has approved the following policy on Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of a Director, etc of the Company. The aforesaid policy also includes the remuneration policy for all the employees of the Company including the Key Managerial Personnel:

### **i. Appointment and qualifications/positive attribute and Independence of the Directors**

- a) The Directors shall possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, information technology or other disciplines related to the Company's business;
- b) The Directors are expected to have proven record of professional success, leadership and highest level of personal and professional ethics, integrity and values;
- c) The Directors shall not incur any disqualification in terms of the provisions of the Companies Act, 2013 and rules made thereunder and shall fulfill such other criteria, if any as may be made applicable to the Company by RBI as amended from time to time;
- d) The Independent Directors shall fulfill the criteria of Independence laid down under section 149(6) of the Companies Act, 2013 and rules made thereunder as amended from time to time and also comply with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time;
- e) The Managing Director shall be required to fulfill the criteria as prescribed under the Companies Act, 2013 and as per directions if any, issued in this regard by RBI as amended from time to time;
- f) Such other qualifications as may be prescribed under the Companies Act, 2013 or directed by RBI from time to time.



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- g) The procedure and manner of appointment and re-appointment of the Directors, Managing Director and Chairperson shall be in terms of the provisions of the Companies Act, 2013, Rules made thereunder, Articles of Association of the Company and directions if any, issued by RBI in this regard as amended from time to time.

### **ii. Directors' Compensation**

- a) Sitting fees shall be paid to the Directors other than the Managing Director / Manager/ Whole-time Director, for attending Meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board and the amount of such fees shall not exceed the sum as may be prescribed under the Companies Act, 2013 and Rules made thereunder as amended from time to time.
- b) Subject to the provisions of the Articles of Association, the Directors may be paid all travelling, hotel and other expenses incurred by them in attending and returning from meetings or for such purposes in the business connection as may be decided by the Board from time to time.
- c) The Directors may be paid professional fees apart from the remuneration / sitting fees for the services rendered which are of professional nature and where in the opinion of the Nomination and Remuneration Committee, the Director possesses the requisite qualification for the practice of the profession.

### **iii. Remuneration Policy for all the Employees of the Company (except the Key Managerial Personnel mentioned hereinafter)**

The remuneration policy as approved by the Board includes the following components as part of the compensation structure for the employees of the Company:

- a) Fixed Salary which includes Basic Pay, Special Allowance, Conveyance Allowance, Children's Education Allowance, House Rent Allowance, Lunch Allowance, Communication Allowance, Medical, LTA, PF and Superannuation (for eligible employees).



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- b) Additional Allowance – For new employees on case to case basis on approval of the Managing Director.
- c) Others – Employees are provided a one-time Diwali Gift every year. Employees also receive an annual token amount as birthday gift.
- d) Variable Pay is paid as per the Variable Pay Plan, based on the employee's and Company's performance.
- e) Gratuity - one month's Basic Pay for each completed year of service as per the policy of the Company.
- f) Group Medclaim / Personal Accident Insurance/ Term Life Insurance Covers – All employees are covered under the Group Medclaim / Personal Accident Insurance/Term Life Insurance schemes as per the policy of the Company.
- g) Leave Encashment – All the employees are entitled to get leave as per the Leave Policy of the Company. Employees are also entitled to accumulate and encash leave in accordance with the terms and conditions prescribed in the Leave Policy.

**iv. Remuneration of the Key Managerial Personnel (Managing Director / Chief Financial Officer/Company Secretary):**

The remuneration to the Managing Director / Whole time Director shall be in accordance with the provisions of the Companies Act, 2013, rules and schedules made thereunder as amended from time to time and directions, if any, issued by RBI in this regard from time to time. Currently, the Managing Director, Chief Financial Officer and the Company Secretary are being remunerated only by the Holding Company –CCIL in terms of the remuneration policy of the Holding Company as they concurrently hold the said respective positions in the Holding Company.