



REMUNERATION POLICY

I. Regulatory Reference

Blacksoil Capital Private limited (herein referred to as “BCPL” or “the Company”) is a Systemically Important, Non-Deposit taking, Non-Banking Finance Company (NBFC-ND-SI) registered with RBI. It is base layer NBFC as defined under master directions Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19 October 2023.

II. Objective

- a. To lay down the criteria for identifying the persons who are qualified to become directors and such persons who may be appointed as the Senior Managerial Personnel of the Company.
- b. To determine the qualifications, positive attributes and independence of the Board and to ensure Board Diversity.
- c. To recommend the Board for determining the remuneration of the Directors, Key Managerial Personnel and other employees.
- d. To set the criteria for evaluation of the performance of the Board and other employees of the Company.

III. Definitions

Unless otherwise stated, capitalised terms used in this Policy have the meanings ascribed to them hereunder.

“Key Managerial Personnel” (as defined in Section 2(51) of the Companies Act) in relation to the Company, means:

- a) Chief Executive Officer or the Managing Director or the Manager
- b) Company Secretary
- c) Whole Time Director
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed by the Government.

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

IV. Scope

This Policy shall be applicable to:

- a. Board
- b. Key Managerial Personnel as defined under Section 2(51) of the Act
- c. Senior Managerial Personnel shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this shall comprise of all members of management one level below the Executive Directors, including all functional heads.
- d. Other employees of the Company

V. Role of Committee

1. To determine appointment criteria for directors and other KMPs. The Nomination & Remuneration Committee shall be responsible to review the structure, composition and diversity of the Board and make recommendations to the Board on any proposed changes/ new appointments to complement the Company's objectives and strategies.
2. The Committee shall ensure that the Board has appropriate skills, professional knowledge, characteristics and experience in diverse fields like finance, banking, insurance, economics, corporate laws, administration, etc. required as a whole and by its executive directors, non-executive directors and independent directors in their individual capacity.
3. The Committee may on annual basis review the appropriate skills, knowledge and experience required for the Board as a whole and its individual Directors.
4. The Committee shall while identifying and selecting suitable candidates for fresh appointment/ reappointment/ filling up casual vacancy shall inter-alia consider the following criteria:
 - a. consider educational and professional background and personal achievements;
 - b. consider individuals who are appropriately qualified, based on their talents, experience, functional expertise and personal skills, character and qualities;
 - c. consider criteria that promotes diversity, including gender, age and relevant background;
 - d. engage qualified independent external advisors, if required, to assist the Committee in conducting its search for candidates that meet the criteria as laid down herein regarding the skills, experience and diversity.

- The proposed appointee shall also fulfil the following requirements:

- a. Shall possess a Director Identification Number;
- b. Shall not be disqualified under the Act;
- c. Shall give his written consent to act as a Director;
- d. Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- e. Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- f. Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding, Committee membership/ chairmanship at the first meeting of the Board in every financial year.
- g. Such other requirements as may be prescribed, from time to time under the Act and other relevant laws.

- h. Upon receiving the consent to act as a Director, the profile of the person proposed to be appointed as a Director, shall be placed before the Board for its consideration and approval.
 - i. As per the provisions of the Act, appointment of Directors by the Board shall be placed before the shareholders for their approval.
5. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel 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 the Central Government, if required.
6. The remuneration and commission to be paid to a Managerial Personnel shall be in accordance with the percentage/slabs/ conditions laid down in the Act.
7. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director / Managing Director / Manager.
8. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Manager, 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.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

The Whole-time / Managing Director / KMP and Senior Management Personnel 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, 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, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director / Manager 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, if required.

Remuneration to Non- Executive / Independent Director

1. **Commission:**

Commission may be paid on profits within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

2. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time

Provided further that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

3. **Stock Options:**

An Independent Director shall not be entitled to any securities option of the Company.

4. **Reimbursement of expenses:**

An Independent Director may receive reimbursement of expenses for participation in the Board and other meetings of the Company.