



NOMINATION AND REMUNERATION POLICY

1. Preamble

Real touch Finance Limited (**RTFL or the Company**) is committed to cultivating a culture of accountability and transparency. The Company firmly believes that robust corporate governance and proactive mechanisms are key to responsible and sustainable business practices. RTFL acknowledges that effective governance practices not only bolster its reputation but also foster long-term value for its shareholders, employees, customers, and community. Overall, it serves as a protective measure against conflicts, legal disputes, and regulatory penalties.

The Nomination and Remuneration policy is necessary to ensure that remuneration is equitable and reasonable, offering directors and senior management suitable incentives to stimulate improved performance and reward their individual contributions to the company's success. It aims to balance the interests of all stakeholders, including shareholders, employees, and the wider community.

2. Effective Date

This policy shall be effective from the date of approval from the Board, unless stated otherwise.

3. Scope and applicability

RTFL Nomination and Remuneration policy is in line with terms of prevailing provisions of Section 178 of The Companies Act, 2013 ('Act') and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**").

This policy is applicable to Directors, Key Managerial Personnel (**KMP**) and Senior Management.

This Policy does not cover temporary or contractual employees, trainees, apprentices, consultants engaged on a retainer basis or otherwise and casual labour.

4. Objective

The policy serves as a cornerstone for good corporate governance, enhancing corporate performance and maximizing shareholder value. The objective of the policy is to develop mechanism to attract, retain, and inspire talent who share JWL vision for growth. It seeks to achieve this through fair and transparent compensation tied to performance, fostering a culture of accountability and long-term value creation for all stakeholders.

The key objectives of this policy are to:

- a. Formulate criteria and conditions for Director appointments, considering qualifications, competencies, attributes, and independence. Recommend remuneration policies for Directors, KMPs and Senior Management.
- b. To provide guidance to the Board regarding the appointment and removal of Directors, Key Managerial Personnels (**KMPs**), and Senior Management.
- c. Provide framework for compensation and benefits to the Directors, Key Managerial Personnel and Senior Management and align with the Company's business strategies, values, key priorities, and goals.



- d. Formulate criteria for Independence in accordance with the Act and Listing Regulations to assess the Independence of Directors and the Board.
- e. Evaluate the performance of the board and devise policy to promote diversity among the Board of Directors.

5. Definitions

In this policy, the meanings are assigned to the words, terms, expressions, and their derivatives in the Act and will apply unless the context indicates otherwise or if something is undefined.

- a) **"Act"** refers to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- b) **"Board"** means Board of Directors of the Company.
- c) **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- d) **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013 and rules.
- e) **"Key Managerial Personnel"** (KMP) means:
 - i. the Managing Director (MD)
 - ii. the Chief Executive Officer (CEO) or the manager and in their absence,
 - iii. the Whole-time Director
 - iv. the Company Secretary
 - v. the Chief Financial Officer
 - vi. employee, designated as key managerial personnel by the Board; and such other officer that may be prescribed.

"Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

6. Constitution of Nomination and Remunerations Committee

The Nomination and Remuneration team holds responsibility in attracting and retaining individuals to lead the company. Their role extends for establishing fair performance evaluation and competitive compensation practices, thereby contributing to the promotion of good corporate governance.

1.1 Composition of Nomination and Remunerations Committee

The Board of Directors shall constitute the nomination and remuneration committee as follows:

- a) the committee shall comprise of at least three directors.
- b) all directors of the committee shall be non-executive directors; and
- c) at least two-thirds of the directors shall be independent directors.



The Chairperson of the nomination and remuneration committee shall be an independent director.

1.7 Functions and Responsibilities of Nomination and Remunerations Committee

The Committee shall have the following functions and responsibilities:

a. Nomination and Appointment:

- i. Develop and apply criteria for identifying and nominating qualified candidates for Board of Directors and KMPs and senior management positions.
- ii. Assess candidates' skills, experience, and independence against established criteria.
- iii. Recommend suitable candidates for appointment or reappointment to the Board of Directors and KMPs and senior management.

b. Remuneration:

- i. Design and recommend a compensation policy for Board of Directors, Key Managerial Personnel, and Senior Management.
- ii. Ensure the policy is fair, reasonable, competitive, transparent, and linked to performance.
- iii. Approve and balance fixed pay and incentive pay components for directors, Key Managerial Personnel and Senior Management reflecting short-term and long-term objectives.

c. Performance Evaluation:

- a. Establish a framework for evaluating the performance of the Board, its committees, and individual directors.
- b. Oversee the evaluation process, which may involve internal or external assessments.
- c. Provide recommendations for improving individual and collective performance.
- d. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

d. Other Duties:

- a. Examine the size and composition of the Board to guarantee a suitable equilibrium of executive and independent Directors, preserving its independence. Additionally, ensure the presence of individuals with relevant in-house experience, providing the Board with the necessary resources.
- b. Review and recommend revisions of Policies (like Nomination, Remunerations, Board diversity and suggest amendments) to the Committee's Constitution as needed.
- c. Assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board, Key Managerial Personnel and to senior management.
- d. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- e. Recommend 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.



- f. Perform any other duties assigned by the Board or as required by law.

Quorum for Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

8. Applicability of the Parts

- a) Part I provides for criteria for appointment of Directors, KMPs and Senior management personnel
- b) Part II provides details on with remuneration of Directors, KMPs, Senior management personnel

8.1 Part I: Appointment of Directors, KMPs and Senior management personnel

General

The Nomination and Remuneration Committee is responsible for identifying suitable individuals for the roles of Director, Key Managerial Personnel (KMP), or senior management. The Committee will then recommend these individuals to the Board for appointment, if applicable.

To identify appropriate candidates, the Committee has the discretion to:

- a) Utilize the services of external agencies, if necessary.
- b) Deliberate on candidates from diverse backgrounds, giving careful consideration to the aspect of diversity.
- c) Take into account the time commitments of potential candidates.

When appointing Directors, Key Managerial Personnel (KMP), or members of Senior Management, it is imperative for the Nomination and Remuneration Committee (NRC) to strictly adhere to the stipulations outlined in the Companies Act, 2013, and the Listing Regulations, ensuring compliance with specific criteria mandated by the statutes.

Appointment criteria and qualifications

- The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
- A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- For the purpose of identifying suitable candidates, the Committee may;
 - use the services of an external agencies, if required
 - consider candidates from a wide range of backgrounds, having due regard to diversity and
 - consider the time commitments of the candidates.

**Managing Director/Whole-time Director:**

In accordance with Section 196 of the Companies Act, 2013, and the corresponding rules, the company is mandated to appoint or re-appoint any individual as its Managerial Personnel for a term that does not extend beyond five years at a given instance. Furthermore, no re-appointment is permissible before the lapse of one year preceding the expiration of the existing term.

Independent Director:

An Independent Director can serve on the Company's Board for up to five consecutive years and is eligible for reappointment upon the passing of a special resolution.

An Independent Director cannot serve for more than two consecutive terms. However, they can be reappointed after a gap of three years from their last term, provided they have not been associated with the Company in any capacity during this three-year period.

Removal

If Directors or KMPs or Senior management personnel is found to be disqualified under the Companies Act, 2013, or any other applicable laws, the Committee can recommend their removal to the Board. The recommendation must be accompanied by written reasons and must comply with the relevant laws.

Retirement

In alignment with Section 152(6) of the Companies Act, 2013, and in accordance with the Articles of the company, two-thirds of the directors are subject to retirement by rotation, with one-third retiring at each subsequent general meeting following the meeting at which the initial directors are appointed.

Shareholders have the authority to re-appoint retiring directors by expressing their support through votes in favour, provided that the number of affirmative votes surpasses those cast against the resolution.

Additionally, it's important to note that independent directors and Nominee directors are not included in the calculation of two-thirds for retirement by rotation. On the other hand, a director representing small shareholders is considered in the two-thirds calculation but is exempt from retirement by rotation; they remain a non-rotational director.

The determination of one-third of directors liable to retire at the Annual General Meeting (AGM) will follow the First In, First Out (FIFO) method. In this approach, the director with the longest tenure in office will be the first to retire. In instances where two or more directors were appointed on the same day, the decision will be made through a draw of lots.

The retirement of Key Managerial Personnel (KMP) and Senior Management will adhere to the relevant provisions of the Companies Act, 2013, and the current policy of the Company. The Board retains the discretion to decide whether to keep the KMP and Senior Management in their existing positions with the same remuneration or make other arrangements, even after they reach the retirement age, all in the best interest of the Company.



8.2 Part II: Remuneration to Directors, KMPs and Senior management personnel

General

- a) The remuneration / compensation / commission etc. to the Directors, 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 provisions of the Act and further subject to prior/post approval of the shareholders of the Company.
- b) The remuneration and commission to be paid to the Whole-time Directors shall be in accordance with the approval of the shareholders of the Company and as per the provisions of the Act.
- c) Where any insurance is taken by the Company for its Directors, Key Managerial Personnel and any Senior Management Personnel 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.

Leaves

All employees including KMP, Directors, Senior management personnel included if relevant, are entitled to take casual leave, earned leave, and maternity leave in accordance with the current Service Rules.

Retirement benefits

The company will provide Provident Fund and Gratuity benefits in accordance with the relevant laws. Furthermore, the company may offer Provident Fund benefits to higher-salaried employees and contribute to superannuation and other pension funds or schemes for selected employees, subject to mutual agreement. The contributions towards gratuity, superannuation, and pensions will be invested in sanctioned funds.

Remuneration for Managing Director/Whole-time Directors

a) Fixed Pay

The Managing Director or Whole time Director is eligible for a monthly salary as approved by the Board based on the Committee's recommendation, subject to the approval of shareholders and the Central Government, if necessary. The breakdown of the salary and the number of benefits, including the employer's contribution to the Provident Fund, pension scheme, medical expenses, club fees, allowances, severance payments, etc., will be determined and approved by the Board or the person authorized by the Board based on the Committee's recommendation.

b) Variable Pay

The Committee may suggest appropriate performance-related variable payments tied to the performance of the concerned Director of the Company.

c) Minimum Remuneration

If the Company does not make a profit or if its profits are inadequate in any financial year, the Company will pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act.



Provisions for Excess Remuneration

If Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior approval, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

e) Stock Options

The Committee will determine the stock options and other share-based payments to be made Managing Director or Whole-time Director, subject to the prevailing guidelines of SEBI, if any.

Remuneration for Non- Executive / Independent Director

a) Remuneration

The remuneration/commission, to non-executive or independent Director if any, shall be in accordance with the statutory provisions of the Act and the rules made there under for the time being in force.

b) Sitting Fees

Non-Executive / Independent Directors may receive compensation in the form of fees for attending Board or Committee meetings. This is subject to approval by the Board based on the recommendation of the Nomination C Remuneration Committee.

c) Stock Options

Independent Directors are not eligible for any stock options from the Company.

d) Professional Services Remuneration

Remuneration paid to Non-Executive / Independent Directors for professional services rendered will not be considered as remuneration if the following conditions are met:

- a) The Director provides the services in their professional capacity.
- b) The Committee believes that the Director has the necessary qualifications to practice that profession.

Remuneration for Key Managerial Personnel and Senior Management

a) Remuneration for Key Managerial Personnel and Senior Management

The compensation for Key Managerial Personnel and Senior Management may include a fixed salary and performance-based pay, in line with the Companies Act, 2013, and the Company's Policy.

b) Stock Options and Share-Based Payments

The Committee is responsible for determining the stock options and other share-based payments to be awarded to Key Managerial Personnel and Senior Management.

c) Fixed Pay Components

The fixed salary encompasses monthly remuneration, the employer's contribution to the superannuation fund, Provident Fund, pension fund contributions, pension schemes, allowances, bonuses, etc., as decided from time to time, for which specific rules will be established.

**d) Incentive Pay**

If applicable, incentive pay will be determined based on the Company's performance and the performance of the Key Managerial Personnel and Senior Management. This will be decided annually or at intervals deemed appropriate.

Minutes of Committee Meeting

Proceedings of all meetings must be minute and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

10. Disclosure

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.
