

Alpha Alternatives Financial
Services Private Limited
(Formerly Known as Provincial Finance
and Leasing Co Private Limited)

Nomination And Remuneration Policy

Version 2.0

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Nomination And Remuneration Policy

Applicable to: Alpha Alternatives Financial Services Private Limited (“AAFSPL”) (Formerly Known as Provincial Finance and Leasing Co Private Limited (“PFLCPL”)

1. Introduction:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel (“KMP”), Senior Management Personnel (SMP) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, in order inter-alia to pay equitable remuneration to Directors, KMP, SMP and other employees of the Company.

2. Objective:

The Policy sets out the guiding principles on:

- I. appointment and remuneration of the Directors, KMP and SMP;
- II. Determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP
- III. Formulating the criteria for performance evaluation of all Directors.
- IV. Board diversity.

3. Definitions:

“Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“Board” means Board of Directors of the Company, (which includes a Committee, thereof).

“Company” means : Alpha Alternatives Financial Services Private Limited (“AAFSPL”) (Formerly Known as Provincial Finance and Leasing Co Private Limited

“Directors” means Directors of the Company. “Independent Director” (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.

“Key Managerial Personnel” (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager;
2. Whole-time Director(s);
3. Chief Financial Officer;
4. Company Secretary; and
5. Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board

“Senior Management Personnel” (SMP) means officers/personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

4. Matters to be dealt with and recommended by NRC to the Board, as may be required

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The following matters shall be dealt by the Committee:

- a) Directors Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, inter alia when circumstances warrant the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.
- b) Evaluation of performance making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance.
- c) Familiarization Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.
- d) Remuneration framework and policies NRC is responsible for reviewing and making recommendations to the Board, if required on the following:
 - i. The remuneration of MD/WTD, KMP and SMP.
 - ii. Remuneration of Non-Executive Directors and Chairman.
 - iii. Remuneration Policy for all employees including KMP and SMP which would inter alia aim at:
 - a. Attracting and motivating talent to accomplish Company's long term growth.
 - b. Demonstrating a clear link between executive compensation and performance.
- e) Administration of Company's stock option schemes and all the related matters.

5. Board Diversity

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge and perspective in the Board.

6. Policy for appointment and removal of Director, KMP and SMP:

A. Appointment criteria and qualifications NRC shall identify a person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/ her appointment.

B. Term /Tenure

1. Managing Director / CEO

Term of appointment or re-appointment of Managing Director or CEO not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

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2. Independent Director An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in no case, not exceeding five years and shall not hold office for more than two consecutive terms.

C. Retirement

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain Director, KMP and SMP even after attaining the retirement/prescribed age, if any.

D. Removal

In case any Director or KMP or SMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP or SMP. For any other matters, the terms of employment of the KMP or SMP would apply, as per the organizational policies and procedures.

7. Director and Officer Liability Insurance:

Where Insurance Policy is taken by the Company for its Directors, KMP, SMP and employees indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance may be recovered from such person, as determined by the Committee.

8. Malus / Clawback:

A malus arrangement permits the Company to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred. A clawback is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances. Where any insurance is taken by the Company on behalf of its Directors, Managing Director, KMPs and Senior Management 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. The deferred compensation may be subject to malus / clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year. Upon occurrence of these or similar events, the Company may prompt to invoke the malus and clawback

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clauses that may be applicable on entire variable pay. While setting criteria for the application of malus and clawback, the Company may specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods (a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed)

9. General:

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulation and applicable guidelines of Reserve Bank of India as amended from time to time.
