

Nomination & Remuneration Policy

Edelweiss Asset Reconstruction Company Limited

Adopted in the Board Meeting held on March 12, 2015

Objective

The Companies Act, 2013 ('the Act') and the Rules framed there under requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees. While appointing the Directors, the Nomination and Remuneration Committee ('the Committee') considers qualification, positive attributes, areas of expertise and number of Directorships in other companies and such other factors as it may deem fit. The Board considers the Committee's recommendation, and takes appropriate action.

The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other Senior level employees of the Company.

The primary objective of the Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors & Non- executive Directors

- The Independent Directors & Non-executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.

The Independent Directors & Non-executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.

- The Independent Directors are not eligible for stock options of the Company or a holding company of Sponsor.
- The Non-executive Directors shall be eligible for stock options of the Company or a holding company of **Sponsor**.

Remuneration of the Managing Director

- The remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee ('the NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Managing Director shall be eligible for stock options of the Company or a holding company of **Sponsor**.

Remuneration of the KMP (other than Managing Director) and Senior level employees

- The key components of remuneration package of the KMP (other than Managing Director) and Senior level employees shall comprise of fixed salary, perquisites, annual bonus, other benefits and allowances and contribution to Funds, etc.
- They shall be eligible for stock options of the Company or a holding company of Sponsor.

Edelweiss Code of Conduct and the Guiding Principles

- The employees must conduct themselves according to the Edelweiss Code of Conduct and the Guiding Principles.
- Any such breach will attract appropriate disciplinary action and may have a direct bearing on their performance appraisal and rewards.

Policy Review

- The Policy may be amended as may be necessary.
- The NRC shall implement the Policy, and may issue such guidelines, procedures etc. as it may deem fit.