VERTEX SECURITIES LIMITED

NOMINATION AND REMUNERATION POLICY

PREAMBLE

The Nomination, Remuneration and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

DEFINITIONS

"**Act**" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"**Board**" means Board of Directors of the Company.

"**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board in accordance with the Act and applicable Listing Agreements and/or Regulations.

"**Directors**" mean Directors of the Company.

"**Key Managerial Personnel**" means

i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
ii. Chief Financial Officer;
iii. Company Secretary; and
iv. Such other officer as may be prescribed.

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961

"**Senior Management**" means Senior Management means the personnel of thecompany who are members of its core management team excluding Board of
Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy andnot defined herein but defined in the Companies Act, 2013 as may be amended fromtime to time shall have the meaning respectively assigned to them therein.

OBJECTIVES

The key objectives of the Committee would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

2. To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board.

3. Formulation of criteria for evaluation of Independent Directors and the Board.

4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

8. To develop a succession plan for the Board and to regularly review the plan.

9. To devise a policy on Board diversity, composition, size etc.

10. To assist the Board in fulfilling responsibilities.

CONSTITUTION OF THE COMMITTEE

The Board ofDirectors of the Company (the Board) constituted the committee to be known as the Nomination, Remuneration and Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether Executive or NonExecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

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a) The Committee shall identify and ascertain the integrity, qualification, expertiseand experience of the person for appointment as Director, KMP or at SeniorManagement level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for theposition he / she is considered for appointment. The Committee has discretion todecide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person asWhole-time Director who has attained the age of seventy years. Provided that theterm of the person holding this position may be extended beyond the age of seventyyears with the approval of shareholders by passing a special resolution based on theexplanatory statement annexed to the notice for such motion indicating thejustification for extension of appointment beyond seventy years.

2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman,Managing Director or Executive Director for a term not exceeding five years at a time.No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years onthe Board of the Company and will be eligible for re-appointment on passing of aspecial resolution by the Company and disclosure of such appointment in the Board'sreport.

- No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible forappointment after expiry of three years of ceasing to become an Independent Director.Provided that an Independent Director shall not, during the said period of threeyears, be appointed in or be associated with the Company in any other capacity,either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured thatnumber of Boards on which such Independent Director serves is restricted to sevenlisted companies as an Independent Director and three listed companies as anIndependent Director in case such person is serving as a Whole-time Director of alisted company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP andSenior Management Personnel at regular interval (yearly).

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4. Removal

Due to reasons for any disqualification mentioned in the Act or under any otherapplicable Act, rules and regulations there under, the Committee may recommend, tothe Board with reasons recorded in writing, removal of a Director, KMP or SeniorManagement Personnel subject to the provisions and compliance of the said Act,rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per theapplicable provisions of the Act and the prevailing policy of the Company. The Boardwill have the discretion to retain the Director, KMP, Senior Management Personnel inthe same position/ remuneration or otherwise even after attaining the retirement age,for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

- The Remuneration/ Compensation/ Commission etc. to be paid to Whole-time Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

- The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

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2. Remuneration to Non- Executive / Independent Director:

- The Non-Executive / Independent Director may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be suchas may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied: i) The Services are rendered by such Director in his capacity as the professional; and ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

i. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

ii. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

iii. Identifying and recommending Directors who are to be put forward for retirement by rotation.

iv. Determining the appropriate size, diversity and composition of the Board and recommending any necessary changes to the Board;

v. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

vi. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

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vii. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

viii. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

ix. Delegating any of its powers to one or more of its members or the Secretary of the Committee;

x. Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

i. to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

ii. to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

iii. to delegate any of its powers to one or more of its members or the Secretary of the Committee.

iv. to consider any other matters as may be requested by the Board.

v. Professional indemnity and liability insurance for Directors and senior management.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

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COMMITTEE MEMBERS' INTERESTS

i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

REVIEW AND AMENDMENT

i. The Committee or the Board may review the Policy as and when it deems necessary.

ii. The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

iii. This Policy may be amended or substituted by the Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

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