Annexure to the Directors' Report for the year ended 31st March, 2015

NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 22 April, 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and reconstituted the Committee with three non-executive Independent Directors as Members of the Committee. This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

II. OBJECTIVE

The Key Objectives of the Committee would be:

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

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

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

The purpose of this policy is:

• To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

• To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, i.e. non-deposit taking companies in the Non-Banking Financial sector engaged in investment activities.

• To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

• To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

• To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the

following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 18th July, 2014.

III. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means "Adventz Securities Enterprises Limited."

"Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

"Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means

(i) Chief Executive Officer or the Managing Director or the Manager,

(ii) Company Secretary,

(iii) Whole-time Director,

(iv) Chief Financial Officer and

(v) Such other officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"Policy or This Policy" means, "Nomination and Remuneration Policy." "

"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" mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management on one level below the executive directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully - Relationship of remuneration to performance is clear and meets appropriate performance

benchmarks and - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. APPLICABILITY

The Policy is applicable to

• Directors (Executive and Non Executive)

• Key Managerial Personnel

• Senior Management Personnel

VI. ROLE OF THE COMMITTEE

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee inter alia will be the following:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
b) Formulate criteria for evaluation of Independent Directors and the Board.
c) To identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy as Independent Directors and/or Executive and Non-Executive Directors and/or Whole-time Directors.
d) To recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management Personnel.
e) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
f) To devise a policy on Board diversity.
g) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

VII. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the company obtaining necessary approvals from shareholders and other regulatory authorities.

Term / Tenure:

Managing Director/Whole-time Director/Executive Director:

The Company shall appoint or re-appoint any person as its 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.

Independent Director:

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

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on September 2014 as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

The basis of appointment of independent directors shall be as per the terms of appointment as set out in the appointment letter. The code of ethics for independence will also be set out in the terms of appointment.

An Independent Director shall not serve as an Independent Director in more than seven listed companies and a Managing Director/Whole-time/Executive Director cannot act as an Independent Director in more than three listed companies.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel and Functional Heads as and when necessary and advise on the remuneration payable to them on yearly basis.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the internal policy and provisions and compliance of the Act and other applicable, rules and regulations.

The Committee can also recommend to the Board, the removal of any person for non-compliance or violation of any rules laid down in the Code of Conduct and Ethics applicable to senior management and Board of Directors.

Retirement:

The KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Committee shall recommend to the Board and its discretion to retain the KMP and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

VIII. POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR/WHOLE-TIME DIRECTOR/EXECUTIVE DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL
General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, Managing Director, Executive 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 Central Government, wherever required.

2. The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the overall limits as percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

3. 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 Managing Director/Whole-time Director/Executive Director.

4. Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Executive Director, 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

Fixed pay:

The Managing Director/Whole-time Director/Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F,

pension scheme, medical expenses, LTA, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director/Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration:

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board of Directors subject to the limits prescribed by the Central Government from time to time.

Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Level & Composition of remuneration:

The Committee shall ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate non-executive directors of the quality required to run the company successfully.

Remuneration to KMP and Senior Management Personnel:

Fixed pay:

The KMP and Senior Management Personnel shall be eligible for a monthly remuneration as approved by Remuneration Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, LTA, other perquisites, club fees etc. shall be approved by the Committee.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for the monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make changes as and when required to facilitate a remuneration strategy, which will meet the needs of the Company.