

## REMUNERATION POLICY

### A. BACKGROUND:

SecMark Consultancy Limited ("the **Company**") is governed by the Companies Act, 2013 and rules notified thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulation 2015")

The Listing Regulations prescribe that the Nomination and Remuneration Committee ("NRC") shall recommend to the Board of Directors ("the **Board**") a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

Nomination and Remuneration Committee ("NRC") in its meeting dated March 16, 2020 recommend to the Board of Directors ("the **Board**") a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

### DEFINITIONS:

1. "**Board of Directors**" or "**Board**" shall mean the Board of Directors of SecMark Consultancy Limited;
2. "**Director**" means a director appointed on the Board;
3. "**Independent Director**" in terms of Section 2(47) means an independent director referred to in sub-section (6) of section 149 as per Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015-

who is not less than 21 years of age.

who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Section 149(6) provides that an independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, –

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. i. who is or was not a promoter of the company or its holding, subsidiary or associate company;  
ii. who is not related to promoters or Directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as

may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

- d. none of whose relatives -
- i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as prescribed under Rule 3 of the Companies (Appointment and Qualifications of Directors), Rules, 2014 during the two immediately preceding financial years or during the current financial year;
  - iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for such amount as prescribed under Rule 3 of the Companies (Appointment and Qualifications of Directors), Rules, 2014 during the two immediately preceding financial years or during the current financial year; or
  - iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- e. who, neither himself nor any of his relatives -
- i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;  
Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - iii. holds together with his relatives two per cent. or more of the total voting power of the company; or

- iv. is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

who possesses such other qualifications as prescribed under Rule 4 of the Companies (Appointment and Qualifications of Directors), Rules, 2014.

4. "**Key Managerial Personnel**" (KMP) under Companies Act, 2013 KMP means -
- Managing Director or Chief Executive Officer ("CEO") or Manager;
  - Company Secretary;
  - Whole-time Director;
  - Chief Financial Officer; and
  - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed.

5. "**Managing Director**" means a director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of Managing Director, by whatever name called.

Explanation.- For the purposes of this clause, the power to do administrative acts of a routine nature when so authorized by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

6. "**Nomination and Remuneration Committee**" or "**Committee**" shall mean a Committee of Board of Director, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.
7. "**Policy**" means this Remuneration/ Compensation Policy.
8. The term "**Senior Management**" includes such persons identified by the NRC / Board from time to time in terms of the Companies Act, 2013 and Listing Regulations.
9. "**Whole-time director**" includes a director in the whole-time employment of the company.

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, Listing regulations or other relevant provisions; as may be applicable.

10. **“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 (43 of 1961);

## **B. INTERPRETATION**

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule or regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

## **C. OBJECTIVES**

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management. The objectives of this Policy are:

- a. To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel and Senior Management;
- b. To assist the Board on determination of remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- c. To ensure 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;
- d. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- e. To ensure that the 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.

### **Factors to be considered under the Remuneration/ Compensation Policy:**

- a. financial condition / health of the Company;
- b. average levels of compensation payable to employees in similar ranks;
- c. revenues, net profit of the Company;
- d. comparable to the industry standards;
- e. role and responsibilities of the Key Management Personnel;
- f. periodic review

## **D. REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT:**

- i. The remuneration/ compensation /commission, etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements, if any, prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors, KMP and Senior Management.

- ii. The remuneration / compensation / commission to be paid to the KMP shall be approved by the Committee and shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For those Senior Management, compensation payable shall be recommended by the Committee to the Board for its approval.
- iii. The Committee shall lay down the Remuneration/Compensation policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms, as may be applicable.
- iv. The annual compensation shall consist of a fixed component and a variable component.
- v. Incentive to take excessive risks over the short term shall be discouraged.

**Remuneration criteria for the Nomination and Remuneration Committee that shall be recommended to Board**

**For Executive Directors/ Whole - Time Directors/Key Managerial Person/Senior Management:**

**Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, which may include salary, allowances and other statutory/ non-statutory benefits which are normal part of remuneration package in line with market practices.

**Variable salary:**

The Company may structure any portion of remuneration as variable in the form of commission/bonus or otherwise, linked to rewards on the achievement of Company's and individual performance, fulfillment of specified improvement targets or attainment of certain financial or other objectives set by the Board.

As per Section 197 of the Companies Act, 2013, the total managerial remuneration payable by the Company to its directors, including Managing Director and Whole Time Director, and its Manager in respect of any financial year shall not exceed 11% of net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, except that the Remuneration shall not be deducted from the gross profits.

The Company may authorize the payment of remuneration upto 5% of the net profits of the Company to its any-one Managing Director/Whole Time Director/Manager and 10% percent in case of more than one such official. The Company can exceed these limits only by passing a special resolution at the general meeting.

The Company, with the approval of the shareholders may authorize the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V of the Companies Act, 2013.

The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

The Whole-time Director/Executive Director shall not be entitled to sitting fees as per the provisions of the Companies Act, 2013.

The fees or compensation payable to Executive Directors / Whole Time Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- the annual remuneration payable to such Executive Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
- where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

The approval of the shareholders shall be valid only till the expiry of the term of such director.

**For Non- Executive Directors/ Independent Directors:**

The Non-executive/Independent Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof.

All fees / compensation, if any paid to non-executive directors, including Independent Directors, shall be fixed by the Board of Directors within the limits as prescribed under the Companies Act, 2013. However, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013.

The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

Commission may be paid to the Non- Executive Directors/Independent Directors within the limits prescribed under the Companies Act, 2013 i.e. not exceeding 1% of the net profits of the Company and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non- Executive Directors/ Independent Directors.

Independent Directors shall not be entitled to any stock options.

The approval of shareholders by special resolution shall be obtained every financial year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

**E. REPORTING TO THE BOARD**

The Chairman of the NRC shall report to the Board on material matters arising at the Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

**F. AMENDMENT**

Any amendment or modification in the Companies Act, 2013, Listing Regulations and other Acts, Rules, Regulations and directives issued under the respective statutes and any other applicable provision pertaining to Compensation/ Remuneration/ Commission etc. shall be automatically be applicable to the Company.

**G. DISCLOSURE**

This Policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy, if any, shall be disclosed in the Board's report.

**Date: February 13, 2026**

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