

## **NIVARA HOME FINANCE LTD**

### **Nomination and Remuneration Policy**

#### **1. Title**

This Policy will be called “Nomination and Remuneration Policy”

#### **2. Introduction**

Pursuant to Section 178 of the Companies Act, 2013 the Board of Directors has constituted the “Nomination and Remuneration Committee”. The “Nomination and Remuneration Committee” has formulated the “Nomination and Remuneration policy” which has also been approved by the Board of Directors of the Company at its meeting held on March 7 ,2016

#### **3. Objective, Role and duties of the Committee**

- Formulate 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(KMP) and other employees.
- Formulate criteria for evaluation for performance of Board and for independent directors.
- Devise a policy on Board diversity
- Identify persons qualified to be appointed as Director, and as KMP and in Senior management positions in accordance with criteria laid down.
- Recommend to the Board appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To perform such other functions as may be necessary and requested by the Board.

#### **4. Applicability and Commencement**

This policy is applicable to Directors, Key Managerial Personnel and Senior Management. This policy will be effective from March 1, 2016.

#### **5. Definitions**

- **Board** means the Board of Directors of the Company.
- **Company** means NIVARA HOME FINANCE LTD
- **Director** means Directors of the Company.
- **Policy** means “Nomination and Remuneration policy” as amended from time to time.
- **Committee** means “Nomination and Remuneration Committee”.

**Key Managerial Personnel** means

- Managing Director
- Chief Financial Officer
- Company Secretary
- such other officer as may be prescribed

**Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors, comprising all members of the management one level below the Executive Directors including Functional Heads.

**Managing Director** means a Director who is in the whole time employment of the Company and includes a Whole time Director.

**Nomination & Remuneration Committee** means the Committee of the Board constituted as such under the provisions of section 178 of the Companies Act, 2013

**Non-Executive Director** means a Director who is not in the whole time employment of the Company and includes an Independent Director.

**Independent Director** means a Director referred to in section 149 of the Companies Act, 2013 .

## **6. Frequency of Meetings**

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

## **7. Appointment and Removal of Directors, Key Managerial Personnel and Senior Management**

### **7.1 Appointment Criteria and Qualifications:**

- The person should possess adequate qualification, expertise, skills and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Before appointment, the Company shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management Personnel.
- The Committee shall ensure that the person so appointed as Director/Independent Director/KMP/ Senior management shall not be disqualified under the Companies Act 2013 and rules thereunder and any other enactment applicable for the time being in force, and is appointed as per the procedure laid down in the applicable acts.

### **7.2 Term / Tenure**

The term / tenure of the Directors/ Independent Directors shall be governed as per the provisions of the Companies Act 2013 and as per the rules made thereunder.

### **7.3 Criteria for Evaluation of Directors**

1. Executive Directors – shall be evaluated on the basis of their performance and basis of targets as given by the Board from time to time.

2. Non executive directors – shall be evaluated on following criteria:

- Exercising their responsibilities in a bona fide manner in the interest of the company
- Act objectively and constructively in performance of their duties
- Participate constructively in committees in which they are members
- Attend meetings of the Board and general meetings of the company
- Keep themselves well informed about the activities of the company
- Abide by the Companys Memorandum and Articles and company's policies and procedures.
- Assist the company in implementing best corporate governance policies and practices.

#### **7.4 : Evaluation**

The Committee shall carry out evaluation of performance of Directors at regular interval (yearly).

#### **7.5 Removal:**

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

**7.6 Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act 2013 and in accordance with the applicable policy of the Company .

#### **8. Remuneration of Directors, key Managerial Personnel and Senior Management :**

- a) Remuneration to Managing Director/Whole-time Director : The Remuneration/ Compensation/ Commission to be paid to Managing Director / Whole time Director 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.
- b) Remuneration to Non- Executive / Independent Director: The Non-Executive / Independent Director may receive remuneration by way of sitting fee /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) Remuneration to Key Managerial Personnel and Senior Management: The remuneration payable to the Key Managerial Personnel and Senior Management shall be based on the experience, qualification and expertise of the related personnel and governed by the limits if any prescribed by the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**9. Review and Amendments** The Committee or the Board may review the policy as and when it deems necessary.

---