



**Lendingkart Finance Limited**

**Nomination and Remuneration Policy**

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### **Preamble**

This Nomination and Remuneration Policy (“**Policy**”) has been formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto as applicable and amended from time to time (hereinafter referred to as “**Law**”), by the Nomination and Remuneration Committee (“**Committee**”) and approved by the Board of Directors of Lendingkart Finance Limited (“**Company**”) (hereinafter referred to as “**Board**”).

### **Objective**

The objective of this Policy is to provide a consistent framework to the Committee to perform its functions in compliance with the Law pertaining to the appointment of, remuneration payable to and removal of, directors, key managerial personnel and senior management personnel and made appropriate recommendations to the Board.

### **Applicability**

This Policy shall be applicable to all Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company, wherever applicable.

### **Definitions**

Capitalized terms used herein but not defined, shall have the meaning ascribed to them under the Companies Act, 2013 and rules made thereunder.

### **Criteria for appointment and removal of Directors, Key Managerial Personnel and Senior Management**

#### **1. Appointment criteria and qualifications**

- (a) Subject to Law and the HR Policy of the Company, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and or Senior Management personnel in the manner as it deems fit and make appropriate recommendations to the Board.
- (b) If required and considered fit by the Committee, appropriate consultations shall be held with the Company’s Whole-time Director.

## **2. Term / Tenure**

The term/tenure of the Directors shall be governed by and as prescribed under Law.

## **3. Removal**

Due to reasons for any disqualification mentioned under Law or any other justifiable grounds, the Committee may recommend to the Board, with reasons to be recorded in writing, for removal of a Director or KMP or Senior Management Personnel.

### **Criteria for determining qualifications, positive attributes and independence of a Director**

1. The Committee shall consider the age, education, experience and such specific skills as may be required for the concerned position of an executive, non-executive or independent director and shall assess the professional success, leadership skills, ethics, integrity and values in the candidates recommended to the Board of directors, along with the potential of value addition to the Company.
2. The Committee shall also consider the personal qualities of each candidate to be able to make a substantial and active contribution to Board deliberations. The candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of a Director.
3. The Director should not have a direct or indirect material or pecuniary relationship with the Company, including its subsidiaries or affiliates or any member of senior management.
4. The Directors' independence will further be confirmed on an annual basis upon the declarations made by such directors as per the Law.
5. Every director shall be obliged to forthwith inform the Committee and / or Board of any change in circumstances that may jeopardize his or her independence.

### **Remuneration payable to Directors, Key Managerial Personnel and other employees**

#### **1. Managing Director/ Whole-time directors**

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

- (b) The Remuneration Commission etc. to be paid to Managing Director, Whole-time Directors shall be governed by Law read with management regulations of the Company and be subject to the approval of shareholders of the Company and Central Government, wherever required.

## **2. Non-Executive/ Independent Directors**

- (a) The Non-Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed INR One lakh per meeting of the Board or Committee or such amount as may be prescribed by Law.
- (b) The Non-executive / Independent directors may be entitled to reimbursement of reasonable and direct expenses for participation in the Board and other meetings and profit related commission as may be approved by the shareholders of the Company which shall not exceed 1% of the net profits of the Company or such amount as may be prescribed by law from time to time.
- (c) An Independent director shall not be entitled to any stock option.
- (d) The sitting fee paid to Independent Directors, shall not be less than the sitting fee payable to other directors.

## **3. KMP, Senior Management Personnel and other employees**

- (a) The remuneration of KMP (excluding the Whole-time Director) and Senior Management Personnel shall be governed by the HR Policy of the Company on the basis of recommendation of the Whole-time Director of the Company.
- (b) The remuneration of other employees shall be governed by the HR Policy of the Company.

The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to the applicable laws. Any tax liability arising in respect of payments made pursuant to the remuneration shall be borne solely by the respective Director, KMP and Senior Management Personnel.

The Committee shall ensure that the –

1. level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

2. relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
3. 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.

### **Performance Evaluation**

The evaluation of Directors, KMP and Senior Management Personnel shall be conducted yearly or at such intervals as may be considered necessary.

### **Disclosure**

Adequate disclosures pertaining to this Policy shall be made in the Annual Report as a part of Board's Report and as required by Law.

### **Amendments**

1. The Committee and /or the Board may review and amend this Policy as and when it deems necessary.
2. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.

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