



Lendingkart Finance Limited

Nomination and Remuneration Policy

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PART A

GENERAL SECTION

1. 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**”).

2. 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.

3. APPLICABILITY

This Policy shall be applicable to all Directors, Key Managerial Personnel, Senior Management Personnel.

4. EFFECTIVE DATE

This Policy shall become effective from 3rd June, 2019.

5. CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

All words and expressions used herein, unless defined herein, shall have the same meaning respectively ascribed to them, in the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder, as amended, from time to time.

6. INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as:

“Act”	:	means the Companies Act, 2013 as may be amended from time to time;
“Applicable Law”	:	includes any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time;
“Board”	:	means the Board of directors of the Company;
“Company”	:	refers to the Lendingkart Finance Limited;
“Executives”	:	refers to the Directors, Key Managerial Personnel and Senior management personnel;
“Key Managerial personnel” or “KMP”	:	refers to- -Managing Director, Manager, Chief Executive Officer, Whole time Director; -Chief Financial Officer; -Company Secretary; -Officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board of Directors of the Company; and -Officer(s) as may be prescribed under Applicable Law;
“Nomination and Remuneration Committee” or “NRC” or “Committee”	:	means the committee constituted by the Board of Directors as per the provisions of Section 178(1) of the Companies Act, 2013
“Policy” or “this Policy”	:	means the contents herein including any amendments made by the Board of the Company;

<p>“Senior management personnel” or “SMP”</p>	<p>: means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors.</p>
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7. GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT

- 7.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company’s vision and strategy.
- 7.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 7.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 7.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 7.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other relevant laws.
- 7.6 Performance-Driven Remuneration: The Company shall establish a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 7.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

PART B

CRITERIA FOR DETERMINING QUALIFICATIONS AND POSITIVE ATTRIBUTES OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

8.1 Directors

- The Director shall possess appropriate expertise, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or such other areas related to the Company's business as determined by Nomination and Remuneration Committee.
- The Director shall also possess core skills/expertise/competencies as identified by the Board of Directors;
- The person to be appointed as a Director shall comply with the requirements of sub-section (4) of section 152 of the Act and shall not have been disqualified from appointment as provided in section 164 of the Act.
- Furthermore, the person should be fit and proper to be appointed as a director of the Company in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('RBI Master Direction'), as amended from time to time.
- A person to be appointed as an independent director shall be qualified as an 'independent' in terms of Section 149(6) of the Companies Act and the rules made thereunder.
- The appointment shall be made in accordance with the conditions provided by the Applicable Law.
- Termination of services of director (either by removal/resignation) shall be given effect to in accordance with the provisions of the Companies Act, 2013 and HR Policy, as applicable.

8.2 Key Managerial Personnel

- A whole-time KMP shall not hold office in more than one company except in its subsidiary company at the same time;
- The appointee shall have appropriate skills, experience and knowledge as required for the concerned job position;

- The appointee shall possess attributes such as integrity, leadership qualities, decision making ability and effective communication skills;
- The appointee shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company.
- Termination of KMP (either by removal/resignation) shall be given effect to in accordance with the provisions of the Companies Act, 2013 and HR Policy, as applicable.

8.3 Senior Management Personnel

- The appointee shall have appropriate skills, experience and knowledge as required for the concerned job position;
- The appointee shall possess attributes such as integrity, leadership qualities, decision making ability, effective communication skills and such other attributes which in the opinion of the Committee are necessary in the interest of the Company;
- The appointee shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company.
- The appointment, termination and remuneration including revision(s) in the terms of employment of SMP shall be governed in accordance with the HR Policy of the Company.

PART C

COMPENSATION STRUCTURE

9.1 Non-Executive Directors

- Subject to approval of the Board of Directors, the Non-executive Directors of the Company may be paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act, 2013. The Non-executive Directors are also entitled to reimbursement of expenses for attending the meeting.
- The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board or any officer(s) authorized by the Board, in due compliance of the provisions of Companies Act, 2013 and amended from time to time.
- An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of sitting fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law and approved by the Company.
- If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

9.2 Executive Directors and Key Managerial Personnel (KMPs)

- The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company as per the provisions of the Companies Act, 2013. As per

the Policy, the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

- If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.
- A Director may receive any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.
- The remuneration (including revision) of KMPs (excluding Executive Directors) shall be determined by the WTD and Head of Human Resource (HR) Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.
- Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/concerned Committees, if stipulated by any Act, statute, regulations, etc.

PART D

EVALUATION PROCESS

10.1 The evaluation of Directors, committees of the Board and the Board shall be conducted yearly or at such intervals as may be considered necessary on the basis of the criteria and manner for effective evaluation of performance as defined by the Nomination and Remuneration Committee.

PART – E

DISCLOSURE, APPROVAL AND REVIEW OF POLICY

11. DISCLOSURE

The policy shall be placed on the website of the Company and salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

12. APPROVAL AND REVIEW OF THE POLICY

- This Policy was recommended by the Nomination and Remuneration Committee on 27th May, 2019 thereafter approved and adopted by the Board at its meeting held on 3rd June, 2019.
- This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Applicable Law or as may be otherwise prescribed by the Committee/ Board from time to time. The Policy shall be placed for annual review before the Committee/Board of Directors.
- 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.

Sr. No.	Summary	Approving Authority	Effective Date
1.	Approval of the Policy	Board of Directors	11 th September 2017
2.	Revision (Restatement of the Policy)	Board of Directors	3 rd June, 2019
3.	Review of the Policy	Board of Directors	20 th August, 2020
