

NOMINATION AND REMUNERATION POLICY

This nomination and remuneration policy is being formulated by the Nomination and Remuneration Committee of Shriram Capital Ltd and recommended for approval.

Date of Implementation:-

This policy shall be come into operation immediately after the approval of the Committee.

Scope:

This policy covers the remuneration of the following personnel:-

- Directors (including Independent Directors as defined under Section 149(6) of the Companies Act, 2013).
- Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013.
- Senior Executives who are directly under the control and supervision of the Board.

Basic Philosophy of the Policy:

This policy is structured in order to achieve the following requirements.

- To recommend the appointment of suitable persons as Directors to the Board including Executive, Non-Executive and Independent Directors.
- To attract and retain and motivate the senior level personnel to run the operations of the company successfully.
- To ensure that the remuneration is directly proportional to performance of the concerned individual and based on benchmarks.
- To strike the balance between fixed component and variable incentive package for meeting the company's vision and mission.

Objectives:

To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) including RBI's 'Fit and Proper Criteria' and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and Senior Executives. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;

Policy for appointment

Appointment criteria and qualifications

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level 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. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.

4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

Key Metrics for deciding the remuneration:

Following are the key parameters which shall be considered before fixing the remuneration.

- Professional Qualification(s) and Relevant experience.
- Biological Age and total number of years of service and Specialised expertise.
- Length of association with the Company.
- Special achievements and Operational Efficiency which has contributed to the business growth or optimum performance in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a *bona fide* manner in the interest of the company.
- Sufficient devotion of time to the assigned tasks.

Remuneration:

Remuneration packages allowable for each category of personnel are detailed below:-

Category	Remuneration Package	Remarks
Whole-time Director & Managing Director	Basic Pay and Perquisites.	Subject to the ceiling limits prescribed under the Companies Act, 2013 and approval of Shareholders.
Directors including Independent Directors	<p>Sitting Fees for attending the meetings of Board and Committees.</p> <p>Reimbursement of reasonable connected expenses for attending the meetings.</p> <p>Fixed Commission on the Net Profits.</p>	<p>Sitting Fees are subject to the applicable ceiling limits prescribed under Companies Act, 2013.</p> <p>Share of net profits is subject to the approval of shareholders based on the recommendation of the Remuneration Committee and Board.</p>
Senior Management Personnel/rest of KMPs	Basic Pay, Perquisites and post employment benefits.	<p>Based on the experience, professional qualification and expertise of the related personnel.</p> <p>Industry Benchmark is also relevant.</p>

Insurance:-

The directors and KMPs may be provided Indemnity Insurance (against any liability arising out and in the course of carrying out their responsibilities) and Health Insurance upon the cost of the company which shall not be considered as remuneration in the hands of the concerned individual.

Revision in the Policy:-

The Nomination and Remuneration Committee of the Company may revise this policy to comply with the statutory requirements and shall be sent to the Board for its records.

Mention in the Board's Report:-

This policy shall be disclosed in the Board's Report as stipulated under Section 178 of the Companies Act, 2013.

FIT AND PROPER CRITERIA FOR DIRECTORS OF THE COMPANY

As per the Reserve Bank of India Directives Companies to ensure the procedures mentioned therein and followed minimum criteria fulfilled by the persons before they are appointed on the Boards

- (a) Shriram Capital Limited (Company) shall undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. The Company shall obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given in the Annex.
- (b) The process of due diligence shall be undertaken by the Company at the time of appointment / renewal of appointment.
- (c) The Nomination and Remuneration Committee shall scrutinize the declarations.
- (d) Based on the information provided in the signed declaration, Nomination and Remuneration Committee shall decide on the acceptance or otherwise of the directors, where considered necessary.
- (e) The Directors shall intimate the changes if any in respect of the particulars disclosed in their declaration

ANNEX III

INFORMATION ABOUT THE PROMOTERS, CHAIRMAN, MANAGING DIRECTOR, DIRECTORS AND THE CHIEF EXECUTIVE OFFICER OF THE COMPANY

Sr. No.	Particulars Required	Response
1	Name	
2	Designation	
3	Nationality	
4	Age (to be substantiated with date of birth)	
5	Business Address	
6	Residential Address	
7	E-mail address/ Telephone number	
8	PAN Number under Income Tax Act	
9	Director Identification Number (DIN)	
10	Social security number/Passport No.*	
11	Educational/professional qualifications	
12	Professional Achievement relevant to the job	
13	Line of business or vocation	
14	Any other information relevant to Directorship of the Company	
15	Name/s of other companies in which the person has held the post of Chairman / Managing Director /Director / Chief Executive Officer	
16	Name/s of the regulators (RBI,SEBI,IRDA,PFRDA,NHB or any other foreign regulator) of the entities mentioned in which the Directors hold directorships	

17	Name/s of the company/ies ,if any, with which the Director is associated as Promoter, Managing Director, Chairman or Director with any NBFC including a Residuary Non-Banking Financial Company which has been prohibited from accepting deposits/prosecuted by RBI ?	
18	Detail of prosecution, if any, pending or commenced or resulting in conviction in the past against the Director and/or against any of the entities he is associated with for violation of economic laws and regulations	
19	Cases, if any, where the Director or relatives of the Director or the companies in which the Director is associated with, are in default or have been in default in the last 5 years in respect of credit facilities obtained from any entity or bank	
20	If the Director is a member of a professional association/body, details of disciplinary action, if any, Pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry of any professional occupation at any time.	
21	Whether the Director attracts any of the disqualification envisaged under the Companies Act, 2013	
22	Has the Director or any of the companies, he is associated with, been subject to any investigation at the instance of the Government Department of Agencies	
23	Has the Director at any time been found guilty of violations of rules/ regulations/ legislative requirements by Customs/ Excise/ Income Tax// Foreign Exchange/ Other Revenue Authorities , if yes, so give particulars	

24	Experience in the business of NBFC (number of years)	
25	Equity shareholding in the company	
(i)	No. of shares	
(ii)	Face value	
(iii)	Percentage to total equity share capital of the company	
26	Name/s of the companies, firms and proprietary concerns in which the person holds substantial interest (Please <i>see</i> item 14 of instructions)	
27	Names of the principal bankers to the concerns at 26 above	
28	Names of the overseas bankers *	Rs
29	Whether number of directorships held by the Director exceeds the limits prescribed under the Companies Act, 2013
		Signature :
	Date :	Name :
	Place:	Designation :
		Company Seal :

*** For foreign directors**

Note:

(i) Separate form should be submitted in respect of each of the Directors, by using photocopy of this format

