

# **Moongipa Capital Finance Limited**

## **Nomination & Remuneration Policy**

### **1. PREAMBLE**

This Nomination and Remuneration Policy (“Policy”) has been formulated by the Nomination and Remuneration Committee (“NRC”/“Committee”) of Moongipa Capital Finance Limited in accordance with the provisions of Section 178 of the Companies Act, 2013 read with applicable Rules framed thereunder and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended from time to time.

The Company recognizes human resources as its most valuable asset and this Policy aims to ensure that the level and composition of remuneration is reasonable, sufficient and aligned with the long-term interests of the Company and its stakeholders.

### **2. OBJECTIVE**

The objectives of this Policy are:

1. To formulate criteria for determining qualifications, positive attributes and independence of Directors;
2. To identify persons who are qualified to become Directors and who may be appointed in Senior Management and Key Managerial Personnel (“KMP”) positions;
3. To recommend to the Board appointment, re-appointment and removal of Directors, KMPs and Senior Management Personnel;
4. To lay down criteria for evaluation of performance of the Board, Committees, Directors and Senior Management;
5. To recommend remuneration payable to Directors, KMPs and Senior Management Personnel;
6. To ensure that remuneration is competitive and sufficient to attract, retain and motivate talent;
7. To devise a policy on diversity of the Board;
8. To formulate succession plans for Directors, KMPs and Senior Management Personnel;

9. To ensure compliance with applicable provisions of the Companies Act, 2013, SEBI LODR and other applicable laws.

### **3. DEFINITIONS**

Unless the context otherwise requires:

#### **3.1 “Act”**

Means the Companies Act, 2013 and Rules made thereunder, including any statutory modification(s), amendment(s) or re-enactment thereof.

#### **3.2 “Board”**

Means the Board of Directors of the Company.

#### **3.3 “Committee”**

Means the Nomination and Remuneration Committee constituted by the Board.

#### **3.4 “Director”**

Means director appointed on the Board of the Company.

#### **3.5 “Independent Director”**

Means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI LODR.

#### **3.6 “Key Managerial Personnel” or “KMP”**

Shall have the meaning assigned under Section 2(51) of the Companies Act, 2013.

#### **3.7 “Senior Management”**

Shall mean officers/personnel of the Company who are members of its core management team excluding the Board of Directors and shall also comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/Manager, including Functional Heads, in accordance with Regulation 16(1)(d) of SEBI LODR.

### **3.8 “SEBI LODR”**

Means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Words and expressions not defined in this Policy but defined under the Companies Act, 2013 or SEBI LODR shall have the meanings assigned to them therein.

#### **4. CONSTITUTION OF THE COMMITTEE**

1. The Committee shall consist of at least three Directors;
2. All Directors of the Committee shall be Non-Executive Directors;
3. At least two-thirds of the members shall be Independent Directors;
4. The Chairperson of the Committee shall be an Independent Director;
5. The Company Secretary shall act as the Secretary to the Committee

#### **5. ROLE OF THE COMMITTEE**

The Committee shall:

1. Formulate criteria for determining qualifications, positive attributes and independence of Directors;
2. Recommend to the Board a policy relating to remuneration of Directors, KMPs and Senior Management Personnel;
3. Formulate criteria for evaluation of performance of Independent Directors and the Board;
4. Devise a policy on diversity of the Board;
5. Identify individuals qualified to become Directors and who may be appointed in Senior Management;
6. Recommend appointment and removal of Directors, KMPs and Senior Management Personnel;
7. Ensure orderly succession planning for the Board and Senior Management;
8. Evaluate the balance of skills, knowledge, experience and diversity on the Board;
9. Carry out functions as prescribed under the Companies Act, 2013, SEBI LODR and such other laws as may be applicable.

#### **6. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT**

##### **6.1 Appointment Criteria**

The Committee shall consider the following while recommending appointment:

- Integrity, ethics and professionalism;
- Educational and professional qualifications;
- Relevant expertise and industry experience;

- Diversity of thought, experience and perspective;
- Ability to devote sufficient time to duties and responsibilities;
- Compliance with applicable legal requirements.

## **6.2 Independent Directors**

An Independent Director shall satisfy the requirements of the Companies Act, 2013 and SEBI LODR relating to independence.

## **6.3 Term / Tenure**

### **Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as Managing Director or Whole-time Director for a term not exceeding five years at a time.

### **Independent Director**

An Independent Director shall hold office for a term of up to five consecutive years and shall be eligible for re-appointment for a second term upon passing of a special resolution and disclosure in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms.

## **7. BOARD DIVERSITY**

The Company recognizes the importance of a diverse Board in enhancing the quality of decisions.

The Committee shall consider diversity including, but not limited to:

- Gender;
- Age;
- Educational background;
- Professional experience;
- Skills and expertise;
- Industry experience;
- Geographical diversity.

## **8. PERFORMANCE EVALUATION**

The Committee shall specify the manner for effective evaluation of:

- The Board;
- Board Committees;
- Individual Directors;
- Independent Directors;
- Chairperson;
- KMPs;
- Senior Management Personnel.

The evaluation framework shall include attendance, participation, contribution, governance standards, strategic guidance and safeguarding stakeholders' interests.

## **9. REMUNERATION POLICY**

### **9.1 Guiding Principles**

The remuneration framework shall:

- Support meritocracy;
- Promote long-term value creation;
- Be competitive and market aligned;
- Balance fixed and variable pay;
- Encourage achievement of strategic objectives;
- Ensure compliance with applicable laws.

### **9.2 Remuneration to Executive Directors / KMPs / Senior Management**

The remuneration may include:

- Fixed salary;
- Perquisites;
- Allowances;
- Incentives;
- Bonus;
- Commission;
- Retirement benefits;
- Stock options, if any.

The remuneration shall be determined considering:

- Qualification and experience;
- Scope of responsibilities;
- Industry benchmarks;
- Company performance;
- Individual performance.

### **9.3 Remuneration to Non-Executive Directors / Independent Directors**

Non-Executive Directors and Independent Directors may receive:

- Sitting fees;
- Reimbursement of expenses;
- Commission as approved by the Board/shareholders within statutory limits.

Independent Directors shall not be entitled to stock options.

## **10. SUCCESSION PLANNING**

The Committee shall oversee succession planning for:

- Directors;
- KMPs;
- Senior Management Personnel.

The objective shall be to ensure continuity of leadership and availability of qualified personnel for critical positions.

## **11. MEETINGS OF THE COMMITTEE**

1. The Committee shall meet at such intervals as may be required under applicable laws.
2. The quorum shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director.
3. The Committee may invite such executives or other persons to attend meetings as it may deem appropriate.

## **12. MINUTES**

Proceedings of all meetings shall be recorded in the minutes and signed by the Chairperson of the meeting and maintained in accordance with applicable provisions of law.

## **13. DISCLOSURES**

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report in accordance with applicable provisions of SEBI LODR.

## **14. REVIEW AND AMENDMENT**

The Committee may review this Policy from time to time and recommend amendments to the Board.

The Board reserves the right to amend, modify or substitute any provision of this Policy in accordance with applicable laws.

In case of any inconsistency between this Policy and applicable laws, the provisions of applicable laws shall prevail.