

# DEVKI LEASING AND FINANCE LIMITED

## NOMINATION AND REMUNERATION POLICY

### 1. INTRODUCTION:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### 2. OBJECTIVES OF THE COMMITTEE:

The Committee shall:

- i. Formulate the 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 and other employees;
- ii. Formulate the criteria for evaluation of Independent Directors and the Board of directors
- iii. To specify manner for effective evaluation of performance of Board, its committees and individual directors which is to be carried out either by the Board or by the NRC and also to review its implementation and compliance;
- iv. Devise a policy on Board diversity;
- v. Identify persons who are qualified to become Directors and persons who may be appointed in Senior Management positions in accordance with the criteria laid down in this policy;
- vi. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vii. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- viii. recommend to the board, all remuneration, in whatever form, payable to senior management

### 3. DEFINITIONS:

- **"Committee"**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"**:- Company means 'Devki Leasing & Finance Limited'.
- **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-
  - (i) the Chief Executive Officer or the managing director or the manager or the whole-time director;
  - (ii) the company secretary;
  - (iii) the Chief Financial Officer.

- **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013, rules made thereunder and as defined under Regulation 16 of the LODR.
- **"Senior Management"**:- The expression "senior management" means officer/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 [chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.].

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **4. APPLICABILITY:-**

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### **5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:-**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

#### **6. GENERAL APPOINTMENT CRITERIA:-**

The Committee shall consider the following criteria and qualifications as follows:

- i. The Committee shall identify, ascertain and consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iv. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

#### **7. ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

The Nomination and Remuneration Committee shall satisfy itself with regard to the Independent nature of the Directors so as to enable the Board to discharge its function and

duties effectively. Independent Director shall meet all criteria specified under the provisions of the Companies Act, 2013 and rules made there under and Listing Regulations. The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions'.

#### **8. TERM / TENURE:**

The Term / Tenure of the Directors shall be governed as per provisions of the Listing Regulations, Companies Act, 2013 and rules made there under as amended from time to time.

#### **9. POLICY ON BOARD DIVERSITY:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc. or as may be considered appropriate.

#### **10. REMUNERATION POLICY FOR REMUNERATION TO DIRECTORS/KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT PERSONNEL:-**

##### **A. Non-Executive Directors:**

The Company doesn't pay any remuneration and/or Commission to the Non-Executive Directors.

The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof.

The Company does not provide any ESOP, etc to its directors.

If the Company decides to pay sitting fees then the amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

##### **B. Executive Directors & Key Managerial Personnel:**

- i. The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration Policy of the Company for Director & Key managerial personnel is primarily based on the following criteria:
  - Overall Performance of the Company, its divisions and units.
  - Track record, potential and performance capacity and capability of individual.
- ii. The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.
- iii. The remuneration 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.
- iv. The remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior

Management of the company and to provide quality required to run the company successfully.

- v. The relationship of remuneration and performance should be clear and meet appropriate performance benchmarks.
- vi. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- vii. The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof. The Company do not provides any ESOP, etc to its directors.
- viii. The Company shall pay remuneration to its CS and CFO as per the terms of the appointment as approved by the Nomination and Remuneration Committee and they shall also entitled for the annual increments based on their performance, evaluated by the Nomination and Remuneration Committee and Board on annual basis.

## **11. CRITERIA FOR EVALUATION OF PERFORMANCE OF INDEPENDENT DIRECTORS AND THE BOARD OF DIRECTORS:-**

### **A. For Executive Directors:**

The criteria for evaluation of Executive Directors, inter alia, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to protect positive image of the Company, compliance with regulatory requirements, monitor the performance of management and satisfy himself with integrity of the financial controls.

### **B. For Non-Executive Directors (including Independent Directors):**

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance and contribution of Directors at Board and Committee meetings, study of agenda and active participation, discharge of other function and responsibilities prescribed under law, Monitoring the effectiveness of corporate governance practice, contribution to discussion on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, adherence to the code of conduct.

### **C. For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, No. of meetings held, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

## **12. REMOVAL:-**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable law, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **13. AMENDMENT:-**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.