



Nomination and Remuneration Policy

Laxmi India Finleasecap Private Limited

(Sapne dekho Bade Dekho Hamare Saath
Unhe Pura Hote Hue Dekho)



1. Introduction

Laxmi India Finleasecap Private Limited (hereinafter referred as “the Company” or “LIFC”) “a Non-Banking Financial Company (‘NBFC’) holding a valid Certificate of Registration (“COR”) with Reserve Bank of India (‘RBI’) vide registration no. B-10.00318 dated March 15, 2021 under current RBI classification as NBFC - Investment and Credit Company (NBFC-ICC) – Non-Deposit taking Systemically Important (‘ICC-ND-SI’) with more than 20 years of experience in asset finance business.

It is focused on offering financing of MSME, Loan against property, commercial vehicles, Tractors, Two-wheelers, Personal and Business Loan.

2. Regulatory Requirement

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of Companies Act 2013 read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) of Laxmi India Finleasecap Private Limited, has been approved by the Board of Directors. This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

3. Definitions

Unless otherwise stated, capitalised terms used in this Policy have the meanings ascribed to them hereunder.

- a. ‘Board’ means Board of Directors of the Company.
- b. ‘Directors’ means directors of the Company.
- c. ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. ‘Company’ means Infosys Limited.
- e. ‘Independent Director’ means a Director referred to in Section 149(6) Act and rules and Listing Regulations.
- f. ‘Key Managerial Personnel (KMP)’ means:
 - i) the Managing Director or Chief Executive Officer or manager
 - ii) Whole-time Director
 - iii) the Company Secretary;
 - iv) the Chief Financial Officer; and
 - v) Any other person as defined under the Act from time to time

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. Objective

This objective of the policy is to ensure that:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.



- d) To formulate criteria for evaluation of performance of Chairman, Independent Directors, Board as a whole and the Committees of the Board.
- e) To formulate the criteria for determining qualifications, positive attributes and independence of a directors and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- g) To assist the Board in fulfilling responsibilities.
- h) To retain, motivate and promote talent and to ensure their sustainability and create competitive advantage.
- i) To implement and monitor policies and processes regarding principles of corporate governance.
- j) To provide to Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- k) To devise a policy on diversity of board of directors;

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 company's policies and applicable statutory requirements. As per Companies Act, 2013 Nomination and Remuneration Committee shall consist three or more non-executive directors out of which not less than one-half shall be independent directors. Further details of members of the Committee shall be disclosed in the Board Report.

6. Role of the Committee

6.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

6.2 Policy for appointment and removal of Director, KMP and Senior Management

6.2.1 Appointment criteria and qualifications

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.



- b. A person 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.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

7. Meetings of the Committee

The meeting of the Committee shall be held at regular intervals as deemed fit and appropriate. The Company Secretary of the Company shall act as the Secretary of the Committee. The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend general meetings of the Company. A member of the Committee is not entitled to participate in the discussions when his/her remuneration is discussed at a meeting or when his/her performance is being evaluated and the Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Nomination Process

- a. The Nomination & Remuneration Committee shall be responsible to review the structure, composition and diversity of the Board and make recommendations to the Board on any proposed changes/ new appointments to complement the Company's objectives and strategies.
- b. The Committee shall ensure that the Board has appropriate skills, professional knowledge, characteristics and experience in diverse fields like finance, banking, insurance, economics, corporate laws, administration, etc. required as a whole and by its executive directors, non- executive directors and independent directors in their individual capacity.
- c. The Committee may on annual basis review the appropriate skills, knowledge and experience required for the Board as a whole and its individual Directors.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members of the Committee.
- to consider any other matters as may be requested by the Board.
- Professional indemnity and liability insurance for Directors and senior management.

9. Policy for Remuneration to Directors/KMP/Senior Management Personnel

1. Remuneration to Managing Director / Whole-time Directors



- a) The Remuneration/ Commission etc. To be paid to Managing Director / Whole time Directors, etc. 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 and the approvals obtained from the Members of the Company, wherever required.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non-Executive & Independent Directors: -

- a) Sitting Fees: The Non-Executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.
- b) Commission: - The profit-linked commission shall be paid within the monetary limit approved by the shareholders of the Company.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration, and following conditions shall be satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time, by the Managing Director of the Company as per the Company's Policy.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

* The expression "senior management" 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, including the functional heads

10. Terms and Tenure

- 1. Managing Director / Whole-time Director / Manager (Managerial Person): - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.



2. Independent Director: - An Independent Director may hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

11. Performance Evaluation

The Nomination and Remuneration Committee ("NRC") shall specify the manner for effective evaluation of performance of Board, its committees and individual directors of the Company. The Board of Directors shall carry out the performance evaluation of every individual director except the director being evaluated, along with its various Board Committees and Board as whole. Evaluation performance should be carried out at least once in a year accordance with the above manner

12. Removal

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

13. Fit and Proper Criteria

At the time of appointment/re-appointment of the Directors, the Company shall be required to follow the due diligence process as stated in the Company's Policy on Fit and Proper criteria for the Directors required as per RBI Master Direction DNBR.PD.008/03.10.119/2016-17 .

14. Annual Evaluation of the Board by Independent Directors

The Independent Directors of the Company meet once on an annual basis. A formal evaluation of the Board and Governance structure of the Company is carried out by the Independent Directors, basis and including but not limited to following evaluation criteria:

- a) Board effectiveness and regular functioning
- b) Meetings and procedures
- c) Business strategy
- d) Risk Management
- e) Board and Committee communication

Feedback, if any provided is shared and discussed at meeting of Nomination and Remuneration Committee and noted by the Board

15. Review

The Policy would ideally be reviewed at periodic intervals, preferably on an annual basis. However, the policy can be reviewed at short notice depending on the exigencies/extraordinary situations, which may emanate during the course of Company's business. This Policy shall remain in force till the next revision is carried out and disseminated.