MITRATA

MITRATA INCLUSIVE FINANCIAL SERVICES LIMITED

REGISTERED OFFICE: C-83, Block-C Lajpat Nagar 1, Lajpat Nagar, Lajpat Nagar (South Delhi), , New Delhi-110024

NOMINATION AND REMUNERATION POLICY

❖ PRINCIPLES AND OBJECTIVES

The Nomination and Remuneration Committee ("Committee") of the Board of Directors ("Board") of **Mitrata Inclusive Financial Services Limited** will report to the Board and shall support the Board in matters related to:

i. Setup and composition of the Board, its committees and the leadership team of the company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and executive team (as defined by the committee).

ii. Evaluation of performance of the Board, its committees and individual directors.

iii. Remuneration for directors, KMP, executive team and other employees.

iv. Oversight of the familiarization program of directors.

v. Oversight of the HR philosophy, HR and People strategy and key HR practices.

❖ COMPOSITION

1. The committee shall comprise at least three or more non-executive directors out of which not less than one-half shall be independent directors.
2. The Chairman of the committee shall be an independent director, from amongst the members of the committee.
3. The Company Secretary of the company shall act as the secretary to the committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.

❖ MEETINGS

The committee should meet atleast once in every financial year.

❖ QUORUM FOR THE MEETING

The quorum for the meeting of the Committee will be any two members of the Committee of which one director shall be an independent director.

❖ AUTHORITY AND POWER

The committee shall have the power to:

- Investigate any matter within the scope of this charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the company.
- Invite such executives, as it considers appropriate to be present at the meetings of the committee.
- Ask for any records or documents of the company.

The committee may also engage (at the expense of the company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.

❖ RESPONSIBILITIES

The responsibilities of the committee shall include the following:

Board Composition and Succession Related:

- Recommend to the Board the setup and composition of the Board. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director". This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of directors.
- Recommend to the Board, the appointment of KMP and Senior Management. The committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer ("CFO").
- Formulate and recommend to the Board plans for orderly succession for appointments to the board (MD & ED), KMPs and other senior management.

❖ PERFORMANCE EVALUATION:

In compliance with Listing Regulations and the Companies Act, Board shall evaluate its own performance along with that of its Committees. Further performance evaluation of all directors will be carried by the Nomination and Remuneration Committee, which shall be reviewed by the Board. The criteria for evaluation of the performance of the Board, its Committee and Individual Directors shall be framed by the Committee in consultation with the Board.

❖ TERM / TENURE:

1. MANAGING DIRECTOR / WHOLE-TIME DIRECTOR / MANGER (MANAGERIAL PERSONNEL)

The Company shall appoint managerial personnel as per the Companies Act, 2013 and SEBI (LODR) Regulation, 2015. The Company shall appoint or re-appoint any person as its Managing Director / Whole-time Director/ Manager 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 shall 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force

❖ REMUNERATION TO EXECUTIVE DIRECTOR & KMP'S

1. The NRC shall make such recommendation to the board of directors, as it may consider appropriate with regards to remuneration to Executive Director. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act, and the rules made thereunder.
2. remuneration to Directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

- On an annual basis, recommend to the Board the remuneration payable to directors, KMPs and senior management of the company. This includes review and recommendation of actual payment of annual and long term incentives for MD/ EDs, KMPs and executive team.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMPs and executive team.
- Review matters related to voluntary retirement and early separation schemes for the company.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMPs and Senior Management.
- This includes review and approval of any information related to directors, KMPs, executive team and their remuneration to be presented in the annual report or other external communications (statutory or otherwise).

❖ SITTING FEES TO NON-EXECUTIVE DIRECTOR

REMUNERATION/ COMMISSION

The remuneration/commission shall be in accordance with the statutory provisions of the Act and the rules made there under for the time being in force.

SITTING *FEES*

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board on the recommendation of the Committee. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

STOCK OPTIONS

An Independent Director shall not be entitled to any stock option of the Company.

❖ BOARD DEVELOPMENT:

Oversee/review Company's familiarization policy for Directors

❖ REVIEW OF HR STRATEGY, PHILOSOPHY AND PRACTICES:

Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either.

Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMPs and executive team).

❖ OTHER FUNCTIONS:

Perform other activities related to the charter as requested by the Board from time to time.

❖ REPORTING

The committee will periodically report to the Board on various matters that it has considered.

❖ REVIEW OF POLICY

The Nomination and Remuneration Committee shall review this Policy from time to time and recommend suitable changes as may be required for the approval of the Board.

CRITERIA FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

A) CRITERIA TO BE CONSIDERED WHILE APPOINTING DIRECTORS

In evaluating the suitability of individual Board members, the NR Committee may take into account factors, suchas: -

General understanding of the Company's business dynamics,

global business and social perspective;

Educational and professional background of working in an NBFC company of at least 5 years;

Standing in the profession;

Personal and professional ethics, integrity and values;

Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.The proposed Director shall also fulfill the following requirements: -

a) Shall possess a Director Identification Number; -
b) Shall not be disqualified under the Companies Act, 2013; -
c) Shall give his written consent to act as a Director; -
d) Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings; -
e) Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel; -
f) Eligible under fit & proper criteria as prescribed by the RBI for NBFCs directors.

g) Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; -
h) Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

B) CRITERIA TO BE CONSIDERED WHILE APPOINTING KMP, SENIOR MANAGEMENT PERSONNEL

The Committee shall consider the present and future requirements of the Company when shortlisting and recommending a candidate for KMP and Senior Management position. The criteria to be considered when assessing prospective candidates for a KMP and Senior Management position shall include the following:

a. The overall experience of the person and the relevant experience in the required field of expertise

b. b. Academic records / background, educational qualifications, including specialized qualifications in relevant areas

c. c. Highest levels of personal and professional ethics and integrity

d. d. Demonstrable leadership skills, good interpersonal relationships and possessing managerial abilities such as effective communication skills, action focus, people engagement, cultural sensitivity, strategic thinking etc

e. Ability to contribute towards achievement of the business objectives of the Company.

C) CRITERIA TO BE CONSIDERED WHILE APPOINTING INDEPENDENT DIRECTORS

A person shall be appointed as an Independent director if he/she meets the criteria mentioned in Section 149 of the Companies Act, 2013.

Mitrata Inclusive Financial Services Limited
(Formerly Known as Mitrata Inclusive Financial Services Pvt. Ltd.)