



Nomination & Remuneration Policy

NIYOGIN FINTECH LIMITED

NOMINATION AND REMUNERATION POLICY

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1. Preamble:

The Nomination and Remuneration Committee (“**Committee**”) of Niyogin Fintech Limited (the “**Company**”) was constituted by the Company’s Board of Directors which currently comprises of the following 3 (three) Directors:

1. Mr. Kapil Kapoor, Independent Director - Chairman
2. Ms. Katarina Racek, Independent Director - Member
3. Mr. Gaurav Patankar, Non-Executive Director - Member

The constitution of this Committee and framing of the Nomination and Remuneration Policy (“**Policy**”) is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and in line with the provisions of SEBI (Listing Regulations & Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

2. Definitions:

(a) **Board** means the Board of Directors of Niyogin Fintech Limited.

(b) **Key Managerial Personnel means:**

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Company Secretary,
- (iii) Whole-Time Director;
- (iv) Chief Financial Officer including Interim Chief Financial Officer; and
- (v) such other officer as may be prescribed by the Companies Act, 2013 or the rules made thereunder.

(c) **Senior Management** means employees of the Company who are members of the Company’s core management team excluding the Board. This would also include all members of management one level below the Executive Directors and all the functional heads.

3. Charter of the Committee

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- (b) Recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- (c) Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The Committee may use the services of an external agencies, if required; consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.

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(d) Formulation of criteria for evaluation of performance of independent directors and the board of directors. Evaluation process must precede re-appointment. Self-evaluation is not recommended. The performance of the entire Board, including the Independent Directors, shall be evaluated for at least one time in a financial year, in the following manner:

- Every non-independent Director, including the Chairman, shall be evaluated at a separate meeting of Independent Directors.
- Every Independent Director's performance shall be evaluated by the entire Board except the Director being evaluated.

Based on the evaluation, it will be decided whether to continue the term of appointment of the Independent Director or not.

- (e) Devising a policy on diversity of board of directors.
- (f) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal in lines with the Nomination and Remuneration Policy of the Company.
- (g) Extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (h) Recommend to the board, all remuneration, in whatever form, payable to Directors, Key managerial personnel and senior management in lines with the Nomination & Remuneration Policy of the Company.
- (i) The Committee may form and delegate authority to sub-committees when appropriate.
- (j) Reviewing and reassessing the adequacy of this Charter periodically and approving the modifications to the Charter.
- (k) The Committee shall also have authority to appoint external legal, accounting or other advisors for obtaining advice and assistances.

4. Duties & Responsibilities of the Committee:

A. Identification of persons qualified to become Directors or occupy senior management positions:

While appointing new director(s) on the Company's Board, Key Managerial Personnel and Senior management, the Committee shall implement a process to identify and evaluate suitable candidates in line based on the following guidelines:

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- a. Well considered Organogram of the Company must be made and reviewed from time to time so that the vacancy slots, seniority and position in the Company are well defined and clear before the selection process is initiated.
- b. The incumbents must have qualifications and experience in the field that has relevance to the Company's functions and working. The incumbents should have personal attributes such as personality, seniority, articulation, decision making, team building, management skills, leadership skills and ability to participate in meetings with peers and seniors.
- c. Such appointments may be made after considering recommendations from reliable and knowledgeable sources and/or outcome of a selection process which could be based on Head Hunters' short listings or direct recruitment and advertisements, and/or promotions of the present cadre of managerial personnel.
- d. There should be a proper mix of technical skills, financial acumen and expertise such as in the fields of HR and commercial laws fairly represented at the Board level.

B. Fixing Remuneration of the Directors and Key Managerial personnel and Senior management:

- a. The level and composition of the remuneration should be reasonable and sufficient to attract, retain and motivate the incumbent.
- b. The Committee shall ensure that amount of remuneration is commensurate with the roles assigned to the Directors, Key Managerial Personnel and Senior Management and that the relationship between remuneration and performance is clear and meets appropriate performance benchmarks.
- c. Committee's recommendations to the Board or the Management, as the case may be, must include remuneration based on age, experience and qualification of the incumbent.
- d. Remuneration should have two components, fixed and variable. The Fixed Component should be well defined and Variable Component, as far as feasible, should be based on factors such as growth and performance of the Company without considering exceptional items, interest and depreciation and or as may be advised by the Committee and decided by the Board. The Board should have full discretion in the matter. Such variable Component should be based either on the performance of the incumbent and/or the performance/growth of the Company. A deterrent clause shall be included in the contracts to restrict employees leaving the organization from joining a competitor.
- e. The balance between the fixed and variable component can from time to time depending on a particular case in question.
- f. Also, any variations in key salary components like basic salary, dearness allowance, house rent allowance, transport allowance, performance bonus, contribution to provident fund, premium on medical insurance and personal accident insurance, gratuity, leave travel

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allowance, leave encashment, etc., as applicable shall be ratified by the Committee from time to time.

- g. Sitting Fees - Non-Executive/Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members as may be decided by the Board at their own discretion. The Board may at its discretion revise the sitting fees payable to the Non-Executive/Independent Directors from time to time provided that the amount of such fees shall not exceed the limits prescribed under the Companies Act, 2013 or rules made thereunder.

C. Re-appointment and Evaluation of Directors and Senior Personnel:

Evaluation process must precede re-appointment. Self-evaluation is not recommended.

The performance of the entire Board, including the Independent Directors, shall be evaluated for at least one time in a financial year, in the following manner:

- Every non-independent Director, including the Chairman, shall be evaluated at a separate meeting of Independent Directors.
- Every Independent Director's performance shall be evaluated by the entire Board except the Director being evaluated.

Based on the evaluation, it will be decided whether to continue the term of appointment of the Independent Director or not.

D. Separate Meeting of Independent Directors:

The Independent Directors shall hold a separate meeting of Independent Directors, without the presence of Non-Independent Directors or management, for at least twice in a financial year in accordance with the Schedule IV of the Companies Act, 2013. All Independent Directors shall strive to attend such a meeting. At a separate meeting, the Independent Directors shall apart from other matters as maybe required –

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E. Evaluation of Independent Directors:

The evaluation process of Independent Directors shall be as follows:

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- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- The separate evaluation of Independent Directors shall be done at least once in a financial year;
- As mentioned above, on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

F. Other duties & responsibilities:

The Committee's duties and responsibilities will, *inter alia*, include the following:

- to make recommendations to the Board concerning any matters relating to the Appointment or Removal of any Director at any time including the suspension or termination of services of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- to recommend to the Board, the appointment or removal of Senior Management employee based on the criteria mentioned in this Policy.
- to recommend a succession plan for the Board and to regularly review the plan;
- to review this policy at least periodically to make suitable changes required either pursuant to any applicable laws or by virtue of any other changes within the Company.

5. Composition & Quorum:

- (a) The Committee shall consist of a minimum of three (3) non-executive directors with a majority of them being independent.
- (b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (c) Membership of the Committee shall be disclosed in the Annual Report.
- (d) The term of the Committee shall continue unless terminated by the Board.

6. Chairman:

The Chairman of the Committee shall be an Independent Director. In the absence of the Chairman at a meeting, the Committee members present may elect any one amongst them as the Chairman of such meeting.

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7. Committee Meetings:

- (a) The meeting of the Committee shall be held at such regular intervals as may be required.
- (b) The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.

8. Committee Members' Conflict of Interest:

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

9. Duties of the Company Secretary:

The Company Secretary shall:

- (a) in coordination with the Chairman of the Committee, finalize agenda and arrange for the Committee meetings;
- (b) provide agenda and supporting documents to Committee members sufficiently in advance so as to enable the Committee members to prepare for the meeting;
- (c) circulate minutes of each meeting to Committee members; and
- (d) circulate copies of the minutes of the Committee meeting to the remaining Board members.

10. Disclosures in the Board's Report:

The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the SEBI Listing Regulations, shall be made with regard to the remuneration or such other details of the Directors, KMPs, Senior Management and other employees.

The revised policy has been adopted by the Board of Directors on 07 May 2018, and shall come into force with immediate effect. Subsequent amendments have been made as applicable.
