

Ummeed Housing Finance Private Limited

Policy Title: Nomination and Remuneration Policy

Functional Area: Secretarial

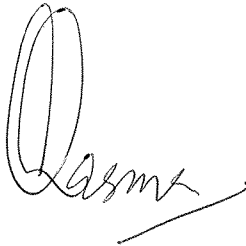
Recommended by: Secretarial

Approved by: Board

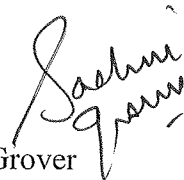
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Effective: 10/05/2019

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Ashutosh Sharma
(Managing Director)



Sachin Grover
(Whole Time Director)



Ummeed Housing Finance Private Limited

Policy Title: Nomination and Remuneration Policy

Unique Policy Identification No. (UPIN):

Functional Area: Secretarial

Recommended By: Nomination & Remuneration Committee

Approved By: Board

Version: 1.2

Effective From:

Last Reviewed/Updated: 25th November 2020

A handwritten signature in black ink, appearing to read "Ashutosh Sharma".

Ashutosh Sharma
(Managing Director)

A handwritten signature in black ink, appearing to read "Sachin Grover".

Sachin Grover
(Whole Time Director)

Nomination and Remuneration Policy

(I) Background

Ummeed Housing Finance Private Limited (hereinafter referred to as “the Company” or “Ummeed”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 (“Act”) and registered as a Housing Finance Company (“HFC”) with the National Housing Bank (“NHB”).

(II) Purpose

The primary function of the Nomination and Remuneration Committee is to assist and suggest to the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

The Committee reviews and wherever required, recommend to the Board, the human resource policies, incentive plans to employees, evaluation of performances, feedbacks, employee’s satisfaction and development. It also provides support in handling the nomination and remuneration proposals for the Board members including Independent Directors.

(III) Objectives

The Nomination and Remuneration Committee and this policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Reserve Bank’s master directions of 2021 for housing finance companies issued on February 17, 2021.

(IV) Definitions

- (1) “Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;
- (2) “Board” means Board of Directors of the Company;
- (3) “Company” means Ummeed Housing Finance Private Limited;
- (4) “Committee” or “NRC” means Nomination and Remuneration Committee of the Board of the Company, as may be reconstituted by the Board and as may subsist from time to time;
- (5) “Directors” mean Directors of the Company.
- (6) “Key Managerial Personnel” means-

- (a) Chief Executive Officer or the Managing Director or the Manager;
 - (b) Whole-time Director;
 - (c) Chief Financial Officer;
 - (d) Company Secretary; and
 - (e) such other officer as may be prescribed
- (7) “**Senior Management**” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads;

(V) Nomination and Remuneration Committee

(1) Composition

It shall consist of three or more non-executive directors out of which not less than one half shall be Independent Directors.

Provided that the Chairperson of the Company (whether executive or non-executive) may be appointed as a Member but shall not chair such Committee.

(2) Meetings

The meetings of the Committee shall be held at least once a year or as and when required under the provisions of the Companies Act, 2013 and rules made thereunder and as per any other applicable laws, if any, for the time being in force.

(3) Secretary and Minutes

The company secretary / member of compliance team shall act as the secretary for the committee meetings. Minutes of the meetings shall be recorded and maintained by the secretary and shall be presented to the Committee for its approval at its subsequent meeting. These shall be signed by the chairman of the said meeting or by the chairman of the succeeding meeting.

(4) Quorum

The quorum for the Committee meeting shall be two members or as per Articles of Association of the Company and the participation of the members by video conferencing or by any other audio-visual means shall also be counted for the purpose of quorum.

(5) Invitation to executives

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

(VI) Appointment of Director, KMP and Senior Management

(1) Appointment criteria and qualifications

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.

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.

Whilst deciding about appointment /re-appointment of a Director, the Committee shall also ensure that:

- there is no conflict of interest in appointment of directors and their independence is not subject to potential threats;
- the proposed appointee meets the 'fit & proper' standards; and
- the proposed appointee is not disqualified under the Act or regulatory directions to be appointed as Director of the Company.

(2) Term / Tenure

Managing Director/Whole-time Director:

The Company shall appoint/ re-appoint any person as its Managing Director or Whole Time/ Executive Director 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.

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 of up to maximum of 5 years each, 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.

(3) Evaluation

The Committee may carry out evaluation of performance of every Director, KMP and Senior Management Personnel at least on an annual basis.

(VII) Remuneration

The duties of the Committee in relation to remuneration matters, inter-alia includes consideration and determination of the Policy on remuneration, which narrates properly desired remuneration framework, based on the performance while keeping in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board, KMPs and Senior Management Professionals and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

(1) Remuneration to Managing/ Whole-time/ Executive Director, KMP and Senior Management Personnel

The Remuneration/ Compensation/ Commission etc. to be paid to Managing/ Whole-time/ Executive Director 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.

(2) Remuneration to Non- Executive / Independent Director

The Non-Executive/ Independent Director (Other than Nominee of Institutional Investors) may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

(3) Remuneration Framework

- Approving the remuneration of the Senior Management including KMPs (other than Executive/ Whole Time Directors) 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. The key components of remuneration package of the Senior Management and other employees of the Company shall be as per extant human resource policy of the Company in this regard.
- The annual increments for the Senior Management and KMP (other than Executive/ Whole Time Directors) shall be linked to their overall performance and reviewed in accordance with remuneration framework approved by the NRC.
- The annual increments for other employees shall be linked to their overall performance and as decided by the Managing Director in consultation with their reporting managers and Human Resources Department.

- Consider any other matters as may be requested by the Board.

(VIII) Role of Committee

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee, inter alia includes:

- (1) To provide guidance to the board & senior management on employee compensation matters based on appropriate industry benchmarking.
- (2) To be a bouncing board for senior level hiring.
- (3) To ensure 'fit and proper' status of proposed/ existing directors.
- (4) To establish, review and recommend the criteria of evaluation of performance for the Board and Individual Directors.
- (5) To recommend to the Board for approval the compensation-based remuneration to be paid to Directors, KMPs and Senior Management.
- (6) To ratify annual increments or other employee compensation matters as recommended by the Management.

(IX) Reporting to the Board

The Committee shall report to the Board on material matters arising at the Committee meetings and where applicable, shall present the Committee's recommendations to the Board for its approval.

(X) Delegation of responsibilities and authorities

Committee is authorized to delegate its responsibilities or authorities to such person(s) at its discretion, subject to the provisions of the Companies Act, 2013 and other applicable laws.

(XI) Review and Modification

- (1) This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Reserve Bank's Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
- (2) In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would



prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

- (3) This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.
