

NOMINATION AND REMUNERATION POLICY OF NALIN LEASE FINANCE LIMITED

FOR, NALIN LEASE FINANCE LTD.


DIRECTOR

1. Preamble

- This Policy provides a framework for remuneration to be paid to the members of the Board of Directors (hereinafter referred to as "Board") and Key Managerial Personnel ("KMP") of the Company. The expression KMP shall have the same meaning as defined under the Companies Act, 2013.
- This Policy also provides a framework for identification of persons who are qualified to become Directors and recommend to the Board their appointment.
- This Policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the Board of Directors of the Company.
- The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

2. Definitions

A. "Act":

Act shall mean the Companies Act, 2013.

B. "Company":

Company shall mean Nalin Lease Finance Limited.

C. "Listing Regulations":

Listing Regulations shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. "Policy" or "this Policy":

Policy or this Policy shall mean the Nomination and Remuneration Policy of Lease Finance Limited.

E. "Committee" or "this Committee":

Committee or this Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Companies Act, 2013.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 and the rules / regulations made thereunder, as the case may be or in any amendment thereto.

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3. Aims & Objectives

- The aims and objectives of this Policy may be summarized as follows:
 - The Policy aims to enable the company to attract, retain and motivate high quality members for the Board and executives.
 - The Policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate regulations.
 - The Policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

4. Principles of remuneration

Support for Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.

Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

Internal equity: The Company shall remunerate the Executives in terms of their roles and responsibilities within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.

Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.

Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

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5. Remuneration to Non-Executive Directors

Non-Executive directors may be paid remuneration by way of fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the law applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. Remuneration to Executive Directors

The remuneration to be paid to the Executive Directors shall be governed by the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the approvals obtained from the Shareholders of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board, as it may consider appropriate with regard to the terms, conditions and remuneration to be paid to the Executive Directors.

7. Remuneration to KMP

The remuneration to be paid to KMP and SMP shall be recommended by the Nomination and Remuneration Committee and approved by the Board in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Remuneration to other employees

The remuneration of other employees shall be determined according to their qualifications, work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration shall be determined on the basis of evaluation done by the respective departmental heads in consultation with the HR head.

9. Policy Statement on Board Diversity

The Company recognizes that Board Diversity forms one of the pillars of a robust Corporate Governance framework. The members of the Board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner.

The Board of a Company should also provide leadership, strategic guidance, objective and an independent judgment to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

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The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including driving business result; enhancing the quality and Independence of performance of the Board; improve the overall decision making ability and process, make corporate governance more effective and enhance the corporate reputation.

The Nomination and Remuneration Committee shall be responsible for reviewing and assessing the composition and performance of the Board. The Committee shall assess the appropriate mix of diversity, skills, experience and expertise required on the Board. The Committee shall review the Board composition in terms of the size of the Board. The Board shall have an optimum composition of Executive, Non-Executive and Independent Directors in accordance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, the Listing Regulations and other Statutory/ Regulatory requirements.

10. Criteria for identification of the Board Members and appointments of senior management personnel

Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

Independent directors shall be persons of integrity and possess expertise and experience and/or someone who the Committee/board believes could contribute to the growth/philosophy/strategy of the Company.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements. Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions of the Act and the Listing Regulations for the time being in force.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

11. Evaluation

The Committee shall carry out evaluation of performance of Board, its Directors, its Committees, yearly or at such intervals as may be considered necessary.

12. Amendments to this Policy

The Nomination and Remuneration Committee is entitled to review this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy.

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13. Miscellaneous

This policy as framed and or amended by the Committee shall be recommended to the Board of Directors for its approval.

In case of any subsequent changes in the provisions of the Act or the Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act or the Listing Regulations, then the provisions of the Act or the Listing Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act or the Listing Regulations.

Date of Original adoption / Revision	Effective date of the Policy
24 th May, 2019	24 th May, 2019
Revised on 28 th June, 2021	28 th June, 2021

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