



DMI FINANCE

NOMINATION AND REMUNERATION POLICY

OF

DMI FINANCE PRIVATE LIMITED

Summary of Policy:

Policy Name	Nomination and Remuneration Policy
Issue and Effective date	May 20, 2022
Periodicity of Review	Annual
Owner / Contact	Compliance Department
Approver	Board of Directors

Date of Review	Date of Next Review	Comments/Remarks/Changes
May 20, 2022	On or before May, 2023	First Issue of Document
November 14, 2022	On or before November, 2023	Reconstitution of Nomination and Remuneration Committee

1. PREAMBLE:

In terms of Section 178 of the Companies Act, 2013 read with relevant rules made thereunder and Para 70(2) of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 issued by Reserve Bank of India (“**RBI Master Directions**”), as amended from time to time, DMI Finance Private Limited (“**DMI**” or “**the Company**”) has formulated the Nomination and Remuneration Policy (“**Policy**”), for Directors, Key Managerial Personnel (“**KMP**”), Senior Management and other employees of the Company.

2. OBJECTIVE:

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other employees of the Company. The Key Objectives of the Committee would be:

- i. To guide the Board (*as defined below*) in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To recommend to the Board (*as defined below*) on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. DEFINITIONS:

- i. ‘**Act**’ means Companies Act, 2013 and rules relating thereto.
- ii. ‘**Board**’ means Board of Directors of the Company.
- iii. ‘**Committee**’ means Nomination and Remuneration Committee of the Company duly constituted or reconstituted by the Board.
- iv. ‘**Company**’ means DMI Finance Private Limited.
- v. ‘**Key Managerial Personnel**’ (KMP) means:
 - a) Chief Executive Officer or the Managing Director or the Manager;
 - b) Company Secretary;
 - c) Whole-time Director;
 - d) Chief Financial Officer; and
 - e) Such other officer, not more than one level below the Directors rank, who is in whole time employment, designated as KMP by the Board and such other officer as may be prescribed from time to time.
- vi. “**Senior Management**” means the 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.

4. CONSTITUTION OF COMMITTEE:

The Board of Directors of the Company has constituted the committee known as “Nomination and Remuneration Committee” consisting of following members:

Sr. No.	Name	Designation
1	Mr. Alfred Victor Mendoza	Nominee Director
2	Mr. Gaurav Burman	Nominee Director
3	Mr. Shivashish Chatterjee	Jt. Managing Director
4	Mr. Yuvaraja Chanakya Singh	Jt. Managing Director

5. RESPONSIBILITY OF NOMINATION AND REMUNERATION COMMITTEE:

- To ensure that the general character of the management shall not be prejudicial to the interest of its present and future stakeholders and envisages ensuring the 'fit and proper' status of proposed or existing Directors.
- To nominate for appointment of directors with "fit and proper" credentials.
- Administration and superintendence of the Employee Stock Option Scheme and to that extent the scope of reference to the Committee is not restricted to only particular Stock Option scheme but all such Stock Option schemes which are to be implemented / administered by the Committee.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and subsequently recommend to the Board of Directors with respect to the remuneration of the Directors and Key Managerial Personnel.

6. CRITERIA FOR APPOINTMENT OF DIRECTOR AND SENIOR MANAGEMENT:

The Committee shall consider the following factors for identifying the person who are qualified and eligible to becoming Director and who may be appointed in senior management of the Company:

- i. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.
- ii. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- iii. The skills and experience that the appointee brings to the role of Senior Management and how the appointee will enhance the skill sets and experience of the Board as a whole and in totality;
- iv. The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have over the appointee's ability to exercise independent judgment;
- v. The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

7. REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable provisions of the Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of such a Director or Key Managerial Personnel or Senior Management Personnel subject to the adherence of provisions and compliance of the Act, rules and regulations.

8. RETIREMENT:

The Director or Key Managerial Personnel or Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director or Key Managerial Personnel or Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions and compliance of the Act, rules and regulations along with the prevailing policy of the Company.

9. CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES:

The Committee shall consider the following factor for determining positive attributes of Directors:

- i. Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- ii. Actively update their knowledge and skills with the latest developments in the finance industry, market conditions and applicable legal and regulatory provisions.

- iii. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- iv. To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- v. Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- vi. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

10. FIT AND PROPER CRITERIA:

The Company has put in place Director's Fit and Proper Criteria Policy with the approval of the Board of Directors for ascertaining the fit and proper criteria of the Directors at the time of appointment, and on a continuing basis.

11. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES:

- i. The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other Senior Managements.
- ii. At the appointment or re-appointment of Directors and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them.
- iii. The remuneration to be paid to the Senior Management Personnel shall be approved by the Board on recommendation by the Committee and for other employees it shall be as per HR policy of the Company.
- iv. The remuneration shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.
- v. The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Managements of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws along with regulations and government/other guidelines.
- vi. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

12. REVIEW OF THE POLICY:

The Policy shall be amended or modified with approval of the Board on the periodic recommendation of Nomination and Remuneration Committee. The Policy shall be reviewed by the Board on an annual basis on the recommendation of Nomination and Remuneration Committee. Consequently, upon any amendments in applicable laws or any change in the position of the Company, necessary changes/modifications/amendments in this Policy shall be incorporated and approved by the Board on the recommendation of Nomination and Remuneration Committee.

The invalidity or unenforceability of any provisions of the Policy shall not affect the validity or enforceability of any other provision. Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.
