



MAANAVEEYA DEVELOPMENT & FINANCE PRIVATE LIMITED

NOMINATION AND REMUNERATION COMMITTEE (NRC) POLICY

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1) INTRODUCTION:

This Nomination and Remuneration Committee (NRC) Policy is framed in accordance with the provisions of Section 178 of the Companies Act, 2013, read with the applicable rules, and the Reserve Bank of India's Scale-Based Regulation (SBR) Framework applicable to Middle Layer NBFCs. The policy outlines the constitution, roles, responsibilities, and governance of the NRC.

2) OBJECTIVE & SCOPE:

The objective of this policy is to ensure a transparent process for the appointment, evaluation, and remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management, in alignment with the company's strategic objectives, sound governance practices, and risk management framework.

This policy applies to the Nomination and Remuneration Committee (NRC) constituted by the Board of Directors of the Company. It governs the nomination, appointment, evaluation, and remuneration of Directors (including Independent Directors), Key Managerial Personnel (KMP), and Senior Management. The policy also outlines the NRC's role in succession planning and oversight of the Remuneration/Compensation Policy, in accordance with the Companies Act, 2013 and the RBI's Scale-Based Regulation Framework applicable to Middle Layer NBFCs.

3) CONSTITUTION:

The NRC shall be constituted by the Board of Directors and shall consist of minimum three non-executive directors. Not less than one-half of the members shall be independent directors and the Chairperson of the NRC shall be an independent director.

4) ROLES AND RESPONSIBILITIES:

- a) Formulate the criteria for determining qualification, positive attribute and independence of a director.
- b) Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and senior management personnel or other employees.
- c) Recommend to Board, appointment and removal of Directors, Key managerial and Senior Management personnel.
- d) Overseeing succession planning for directors and senior management.
- e) Reviewing and implementing the Remuneration / Compensation Policy of the Company.
- f) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

5) APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP), AND SENIOR MANAGEMENT:

- a) The Committee shall identify and recommend individuals qualified to become Directors, KMPs, and Senior Management based on defined criteria including integrity, qualification, experience, and expertise as per Company's policy and the provision of Companies Act, 2013.
- b) The NRC shall ensure that appointments are in compliance with the "fit and proper" criteria prescribed by RBI and the Companies Act.
- c) Recommendations for appointment shall be placed before the Board for approval for Directors and KMPs. The appointment of Senior Management may be delegated to the Executive Director, in accordance with the Compensation Policy of the Company.
- d) The NRC shall also oversee the process of removal or resignation of Directors, KMPs, and Senior Management, ensuring compliance with applicable laws and internal governance standards.
- e) Succession planning for critical roles shall be periodically reviewed and updated.

6) REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, AND SENIOR MANAGEMENT:

a) Remuneration to Managing Director/Whole Time Director:

- The Remuneration/ commission etc. to be payable to Managing Director/Whole Time Directors shall be governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time bring in force.
- The Nomination and remuneration committee shall make such recommendation to the Board of Directors, as it may consider appropriate with regards to remuneration to Managing Director/ Whole Time Director based on performance, industry benchmarks, regulatory guidelines and Compensation policy of the Company.

b) Remuneration to Non-Executive Director:

- Non-Executive Directors may be paid sitting fees, commission, or other forms of compensation as permitted under the Companies Act and approved by the Board in alignment with the Compensation Policy of the Company.

- Remuneration shall be commensurate with their role, responsibilities, and time commitment.

c) Remuneration to Key Managerial Personnel (KMP) and Senior Management:

- The NRC shall approve the overall framework for the remuneration of KMPs and Senior Management as outlined in the Company's Compensation Policy, in compliance with applicable provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India.
- The Remuneration of employees across various levels in organisation is reviewed annually through a structured performance evaluation process. This formal appraisal system applies to all employees, including key executives. Annual increments are determined based on individual performance, company performance, and prevailing market benchmarks, ensuring alignment with the Company's overall compensation philosophy.

d) Alignment of Remuneration:

The Committee endeavours to ensure that the remuneration structure for Directors, Key Managerial Personnel (KMPs), Senior Management, and employees across all levels of the organization remains equitable and proportionate. It aims to maintain a reasonable ratio between the highest and lowest compensation levels within the Company. These ratios shall be periodically reviewed and calibrated in line with prevailing industry benchmarks and global best practices in fair and responsible compensation

7) WORKING PROCEDURE OF NOMINATION AND REMUNERATION COMMITTEE:

In accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto, applicable Secretarial Standards, the following working procedure is adopted by the Nomination and Remuneration Committee:

a) Constitution of the Committee:

- The Nomination and Remuneration Committee shall consist of minimum three Non-Executive Directors as members.
- Not less than Half of the members of Nomination and Remuneration Committee shall be independent directors. The Chairperson of the Committee shall be an independent director

b) Quorum:

- Two members or one third of the members of the Nomination and Remuneration Committee, whichever is higher, with at least one independent director present either personally or through electronic mode.
- Participation through electronic mode shall be counted for the purpose of quorum.
- Quorum shall be present throughout the meeting
- Where a member is interested in a particular item, he/she shall not be present (physically or through Electronic Mode), during discussion and shall not vote on such item.

c) Chairperson:

- The Chairperson of this Committee shall preside over the meetings and in the absence of Chairperson, any members present shall elect one among themselves to preside over the Meeting.
- Provided that the Chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not act as its Chairperson.

d) Frequency of the meeting:

- The Committee shall meet based on the requirement of consideration of issues as per the Scope of the Committee in compliance with the provisions of the Companies Act, 2013.

e) Minutes of the Meeting:

- Minutes of all NRC meetings shall be recorded and maintained in accordance with the provisions of the Companies Act, 2013.
- The minutes shall be signed by the Chairperson of the meeting or by the Chairperson of next meeting.
- Minutes of the meeting shall be signed and dated by the Chairperson of the Meeting or by the Chairperson of the next meeting and shall be placed before the Board for noting.

f) Secretary to the Committee:

- The Company Secretary of the Company shall act as the Secretary to the Nomination and Remuneration Committee.

g) Passing of resolution by Circulation:

- In case of urgent business, Committee may pass the resolutions by circulation, subject to the provisions of the Companies Act, 2013.

- Only such matters that are not restricted under the Companies Act, 2013 business can be transacted through circulations which are not restricted as per Companies Act, 2013.
- Draft resolutions shall be circulated to the members of the Committee by the Company Secretary, together with the necessary papers, to all the Members including Interested Director through any valid mode.
- Not more than seven days from the date of circulation of the draft resolution shall be given to the Members for their response.
- Resolution shall be deemed to be passed if majority of the members have assented, and date of assented by the last member shall be the date of passing of resolution.
- If the approval of the majority of members entitled to vote is not received by the last date specified for receipt of such approval, the Resolutions shall be considered as not passed.
- Resolutions passed by circulation shall be noted at the next meeting of the Committee as well as Board.

8) REVIEW OF THE POLICY

This Policy shall be reviewed by the Nomination and Remuneration Committee **once every two years** or earlier, if required, due to changes in applicable laws or business needs. Any amendments shall be recommended by the Committee and approved by the Board of Directors through a formal resolution.

9) DISCLOSURE

In accordance with the provisions of the Companies Act, 2013, the salient features of this Policy shall be disclosed in the Board's Report. The complete Policy shall be made available on the Company's website. Any amendments to the Policy shall also be disclosed as required under applicable laws.
