

## **VISU LEASING AND FINANCE PRIVATE LIMITED**

### **POLICY ON APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL, REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

#### **1. Introduction**

The Company believes that human resources as an asset are invaluable and play an integral part in the growth and success of the Company. The Company also acknowledges that a Board with diversified expertise and experience, adequate mix of Executive, Non-Executive and Independent Directors, provides the desired vision, governance structure and mission to the Company in order to enable it to achieve its goals.

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

#### **2. Objective and Purpose of the Policy**

In line with the requirements of the Companies Act, 2013, the objectives and purpose of the policy are as under:

- i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director and to recommend their appointment/removal;
- ii. To lay out the remuneration principles for the directors, KMP and other employees.

#### **3. Definitions**

In this Policy, the following terms shall have the following meanings:

- i. "The Board" means the Board of Directors of the Company
- ii. "Director" means a director of a company
- iii. "Committee" means the Nomination and Remuneration Committee as constituted or reconstituted by the Board, in accordance with the provisions of Section 178 of the Companies Act, 2013
- iv. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013
- v. "Key Managerial Personnel" (KMP) means
  - a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director
  - b. The Chief Financial Officer; and
  - c. The Company Secretary;
  - d. Such other officer as may be prescribed under the Companies Act, 2013 from time to time.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the same meaning assigned to them therein.

## **1. Policy for the Appointment of Directors, KMP:**

**4.1.** The criteria for the appointment of Directors, KMP are as follows:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his/her appointment
- A person to be appointed as Director, KMP 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
- A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
- The appointment of Whole-Time Director/KMP/employees shall also be governed by the prevailing employment policies of the Company.
- A Whole-Time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a Whole-Time KMP can be appointed as a Director in any company subject to the same being intimated to the Board or being in accordance with the policy of the Company.

## **4.2. Term/Tenure of Managing Director/Manager/Whole-time Director:**

The Company may appoint or re-appoint a person as Managing Director/Manager/Whole-time 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.

## **4.3 Term/Tenure of 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 for another term up to five consecutive years. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director or as may be prescribed under the Act from time to time.

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 as laid down in the Act.

Further, the terms and conditions of appointment of Independent Directors will be as prescribed from time to time under the Act and Schedule IV of the Act.

#### **4.4 Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or for such other compelling reasons, the Committee may recommend with reasons recorded in writing, removal of a Director, KMP subject to the provisions and compliance of the Companies Act, 2013, rules and regulations of the Company.

#### **4.5 Retirement:**

Any Director other than the Independent Director, KMP shall retire as per the applicable provisions of the Companies Act, 2013 and the internal HR policy of the Company.

## **2. Policy relating to the Remuneration for the Directors, KMP and other employees:**

### **5.1 Guiding Principles**

- The remuneration should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors;
- The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks; and
- The remuneration to Executive Directors KMPs should involve a clear balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### **2.2 Remuneration to Executive Directors, KMPs and other employees:**

- Remuneration to the proposed Executive Directors will be proposed by the Committee and recommended to the Board. The same will be subject to shareholders approval as per the Act, wherever applicable.
- Employee remuneration shall be determined based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs and in terms with the Company's HR policies.
- Increments to the existing remuneration of the Directors will be placed before the Committee for its approval / ratification, as the case may be. The remuneration proposed will be consistent with the provisions of the Act, strategy of the company and in line with the comparable market and internal remuneration benchmarks.
- Increments to the existing remuneration of employees including chief financial officer and company secretary will be in terms of the internal HR policy on remuneration of employees. The remuneration proposed will be consistent with the strategy of the company and in line with the comparable market and internal remuneration benchmarks.

### **2.3 Remuneration to Non-Executive Directors and Independent Directors:**

- Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The Board may at its discretion revise the sitting fees payable to the Non-Executive Directors and/or 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.
- Any other remuneration / profit linked commission payable to Non-Executive and/or Independent Directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- Independent Directors shall not be entitled to any stock option of the Company.

### **3. Policy Review**

This policy is framed based on the provisions of the Act and rules thereunder. In case of any subsequent changes in the provisions of the Act 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.

This policy shall be reviewed by the Nomination and Remuneration Committee annually or earlier as required on account of change in regulations..

Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

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