



NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of Sital Leasing and Finance Limited. (the “Company”) is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders. The Remuneration Policy applies to the Company's senior management, including its Key Managerial Persons (KMPs) and Board of Directors.

GUIDING PRINCIPLES

The Guiding Principle is that the remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

- The Nomination and Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of the GRM. When determining the remuneration policy and arrangements for Whole time Directors / KMPs, the Nomination and Remuneration Committee, constituted in accordance with Section 178 of the Companies Act, 2013, considers parity with peers and employment conditions elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- The Nomination and Remuneration Committee while considering a remuneration package must ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the company and its goals.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate

performance targets and a strong alignment of interest with stakeholders. The Remuneration policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014., inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors, integrity, etc. The main objectives are –

Attract and retain: Remuneration packages are designed to attract high-caliber executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

Motivate and reward: Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful short and long-term targets.

The principal terms of non-monetary benefits: The Executives will also be entitled to customary non-monetary benefits such as Company Cars, Telephones/Mobiles, Health care facilities, etc. In addition thereto, in specific cases, particularly at the Unit levels, company may also provide housing and other benefits.

EXECUTIVE REMUNERATION – BOARD OF MANAGEMENT

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors and further by the shareholders and central Government as per legal requirements. Executive remuneration is evaluated annually against performance and a benchmark of international companies, which are similar to GRM in size and complexity. Benchmarking is done with the help of reports generated by/through internationally recognized compensation service consultancies. In determining remuneration packages, the Committee may consult with the Chairman/ Managing Director and Independent Directors as well, as appropriate. Total remuneration shall include of following:

- **A fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competencies required to drive the Company's performance.
- **Short-term incentives**, based on the achievement of individuals as per pre- defined financial and strategic business targets, the incentive are given, particularly in Sales function, as per Incentive Scheme duly approved by the Managing Director.
- **Loyalty / Belongingness to Company**, to be achieved by aligning the rewards and recognitions for longer association of the employees with the organization and encouraging Referrals as one of the sources of recruitment to strengthen the company work-force.

- **Working Atmosphere at the workplace**, company committed to provide good working atmosphere conducive to efficient and effective functioning of the employees with excellent culture and good inter-personal relationship within the organization as well as with external business associates.

- **Severance payments** in accordance with termination clauses in employment agreements. severance payments shall comply with local legal framework.

DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

APPROVAL OF THE REMUNERATION POLICY

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors. The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board and shall be modified /revised with the consent of the Remuneration committee and Board of Directors of the company from time to time as may be required. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

8.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

8.3 Identifying and recommending Directors who are to put forward for retirement by rotation.

8.4 Determining the appropriate size, diversity and composition of the Board;

8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

8.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

8.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

8.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination

of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

8.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

8.9 Recommend any necessary changes to the Board; and

8.10 Considering any other matters, as may be requested by the Board.

DISSEMINATION

The Company's Nomination and Remuneration Policy shall be published on its website. Approved & adopted by the Board at its meeting held on 08.04.2015.

For and On Behalf of

Sital Leasing and Finance Limited

Sd/-

(Director)