

NOMINATION POLICY

I. Preamble

The Nomination and Remuneration Committee (NRC) of PHL Fininvest Private Limited (the “Company”), has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who may be appointed in senior management.

This policy is framed in compliance with the applicable provisions of Section 178 and other applicable provisions of the Companies Act, 2013.

II. Criteria for identifying persons for appointment as Directors and Senior Management:

A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, financial services and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.
2. Such candidates should also have a proven record of professional success.
3. Every candidate for Directorship on the Board should have the following positive attributes:
 - a) Possesses a high level of integrity, ethics, credibility and trustworthiness;
 - b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;
 - c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth;
 - d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;
 - e) Displays willingness to devote sufficient time and attention to the Company's affairs;
 - f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;
 - g) Possesses leadership skills and is a team player;
4. Criteria for Independence applicable for selection of Independent Directors:
 - a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act 2013, as amended or re-enacted or notified from time to time. Such candidates should also

comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

- b) Such Candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence:

Every Independent Director shall be required to inform the NRC / Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the NRC / Board may take such steps as it may deem fit in the best interest of the organization.

B. Members of Senior Management

1. For the purpose of this Policy, the term ‘Senior Management’ means Managing Director (MD), Chief Financial Officer (CFO) and any other persons in charge of material functions.
2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.
3. Any candidate being considered for the post of Senior Management should be willing to comply fully with the Company’s – Code of Conduct and other applicable policies, in force from time to time.

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.
2. Candidates for Board membership may be identified from a number of sources, including but not limited to past members of the Board and Directors database.
3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in senior management. The NRC may also identify potential candidates for appointment to Senior Management through referrals and

recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.

2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and refer to such inquiries and background checks as it may deem appropriate.
3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

IV. Removal

A. Directors

1. If a Director incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, regulations, statutory requirements, the NRC may recommend to the Board with reasons recorded in writing, the removal of the said Director subject to the provisions of and compliance with the statutory provisions.
2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.
2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

1. The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

REMUNERATION POLICY

1. Preamble:

- a. The Nomination and Remuneration Committee (NRC) of PHL Fininvest Private Limited (the “Company”), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.
- b. The Remuneration Policy (‘Policy’) is framed in compliance with the applicable provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013.
- c. This Policy reflects the Company’s core values viz. Knowledge, Action and Care.

2. Framework:

The remuneration of Directors and Key Managerial Personnel will be determined by the NRC and will then be recommended to the Board for approval.

3. Designing of Remuneration Packages:

While designing remuneration packages, the following factors are taken into consideration:

- a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates
- b. Current industry practices;
- c. Cost of living;
- d. Balance between fixed and performance linked variable pay;
- e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department / function and of the Company;

4. Remuneration to Directors:

A. Independent Directors:

The Independent Directors are entitled to the following:

- i. **Sitting Fees:** The Independent Director receive remuneration in the form of sitting fees for attending meetings of Board or Committee thereof of the Company and its subsidiaries where such Director may be so appointed. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the applicable regulatory requirement.
- ii. **Fees for rendering professional services:** Any Director who renders services of a professional nature to the Company, may receive payment for such services rendered from the Company, subject to compliance with applicable regulatory requirements.
- iii. **Commission:** The Board may at its discretion pay commission subject to compliance with applicable regulatory requirements.

B. Remuneration to Whole – Time Directors

- i. The remuneration to be paid to the Whole – Time Directors, when applicable, shall be in compliance with the applicable regulatory requirements, including such requisite approvals as required by law.
- ii. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.
- iii. The Board may at the recommendation of the NRC and in its discretion, consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

5. Remuneration to Key Managerial Personnel and Senior Management:

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements.

Total remuneration comprises:

- i. Fixed Salary
- ii. Perquisites as per Company Policy.
- iii. Retirement benefits as per Company Rules and statutory requirements.
- iv. Performance linked incentive (on an annual basis) based on the achievement of pre-set KRAs.

6. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to Fixed pay and variable performance pay forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

7. Disclosure

As per existing applicable regulatory requirements, the Remuneration Policy, shall be disclosed in the Board's Report.

8. Review

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.
