

GIC HOUSING FINANCE LIMITED

NOMINATION AND REMUNERATION POLICY

[Pursuant to Regulation 19 read with Schedule II of SEBI (LODR) Regulations, 2015 and Section 178 of Companies Act, 2013]

Approved by Board of Directors on	6 th May, 2015
Last Reviewed / Amended on	5 th February, 2024

NOMINATION AND REMUNERATION POLICY

I. INTRODUCTION:

Pursuant to Section 178 of the Companies Act, 2013 ("the Act") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), the Board of Directors of the Company shall constitute the Nomination and Remuneration Committee consisting of minimum number of 3 Directors (Non-Executive) and shall frame Nomination & Remuneration Policy.

II. APPLICABILITY:

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

III. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means GIC HOUSING FINANCE LIMITED.

"Policy or This Policy" means, "Nomination and Remuneration Policy".

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961;

"Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

"Key Managerial Personnel" means Managing Director or Chief Executive Officer or Manager and in their absence, a Whole -time Director; Chief Financial Officer; Company Secretary; and such other Officer as may be prescribed.

"Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer."

"Committee" means Nomination and Remuneration Committee.

IV. CONSTITUTION & MEETING FREQUENCY OF NOMINATION & REMUNERATION COMMITTEE:

The Board of Directors had constituted the "Nomination and Remuneration Committee" on 6th May, 2009. This is in line with the requirements under the Companies Act, 2013 ("Act") and SEBI (LODR) Regulations, 2015 as amended from time to time and other applicable regulatory guidelines. The Board has authority to reconstitute this Committee from time to time.

The Committee shall mandatorily meet at least 2 times in a year and quorum of meeting will be as per applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time.

V. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 and Part D of Schedule II of Listing Regulations (as amended from time to time). The key objectives of Committee and Policy would be:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- v. To carry out evaluation of the performance of Directors and whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.
- vi. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- vii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- ix. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

VI. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

An independent director shall possess appropriate skills, experience and knowledge in one or more fields of Accounts, finance, Banking, law, management, sales, marketing, administration, Risk Management, technical operations or other disciplines related to the Company's business and shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 25 of the listing regulations.

The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years' subject to the approval of shareholders by passing a special resolution provided that explanatory statement needs to be annexed to the notice for such motion indicating the justification for appointing such person.

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

VII. BOARD DIVERSITY:

Our Company recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee also oversees the conduct of the annual review of Board effectiveness. In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

VIII. TERM / TENURE:

Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial person 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.

Independent Director:

An Independent Director shall hold office for a term maximum up to five consecutive years on the Board of the Company and will be eligible for re-appointment in the manner and for term as specified under the Act and Listing Regulations.

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. 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

IX. EVALUATION:

The Committee shall carry out evaluation of performance of Directors yearly.

X. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT:

In our Company, Managerial Persons i.e. MD & CEO and other senior Officers at Sr. Vice President level are appointed from Promoter Insurance Companies on deputation basis and their remuneration is also as per the pay structure of their concerned Promoter Insurance Company. They are also entitled to other benefits as per HR manual prevalent in our company. However, the appointment and remuneration of MD & CEO is put up to Shareholders for their approval as per the provision of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The remuneration of KMP and other Senior Management (i.e. other than Officer on deputation) is also as per the pay structure as provided in HR Manual of the Company which is approved by the Board of the Directors of the Company and the same is revised in every five years with the approval of Board. Company is also having Performance Linked Incentive Scheme (PLIS) duly approved by the Board where incentive is paid to employees (including officers on deputations) of the Company basis the KRAs as defined in PLIS subject to approval of Committee and the Board.

XI. SITTING FEE TO INDEPENDENT DIRECTORS:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses (if any) for attending the meetings shall be reimbursed to the Directors.

XII. MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Committee meeting.

XIII. AMENDMENT:

Any regulatory / statutory changes shall apply mutatis mutandis to this policy. This policy is subject to review / amendment by the Board on recommendation of the Committee.
