

NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("referred as Listing Regulations, 2015"), the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Regulations, 2015. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Regulations, 2015, the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations, 2015.

II. 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.

"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 Managerial Personnel" mean the personnel of the Company who are members of its core management team (Sr. Vice President and Vice President) excluding Board of Directors.

III. OBJECTIVE:

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- c) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation.
- d) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

- e) To Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- f) To devise a policy on Board diversity.
- g) 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.
- h) To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

- a) 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, as per Company's Policy.
- b) 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.
- c) The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years.

BOARD DIVERSITY:

Our Company recognises 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 Board Corporate Governance & Nominations Committee ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. 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.

Term / Tenure:

1. 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.

2. 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 on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he /she shall be eligible for appointment for one more term of 5 years only.

- 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

V. EVALUATION:

The Committee shall carry out evaluation of performance of Directors yearly or at such intervals as may be considered necessary.

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

In our Company, Managerial Persons are appointed from one of our Promoter Insurance Companies on deputation basis and their remuneration is also as per the pay structure of the concerned Promoter Insurance Companies.

The remuneration of KMP and Senior Management is also approved by the Board of the Directors of the Company and the same is revised every five years with the Board's approval.

VII. SITTING FEE TO INDEPENDENT DIRECTORS:

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 the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

VIII. 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.