SWARA FINCARE LIMITED

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (herein after called as 'the Act') read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

OBJECTIVE

The Key Objectives and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration;
- To evaluate the performance of the members of the Board as well as Key Managerial and Senior Management Personnel and provide necessary reports to the Board for further evaluation of the Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity; and
- To develop a succession plan for the Board and to regularly review the plan.

DEFINITIONS

- **Independent Director** means a director referred to in Section 149(6) of the Act, as amended from time to time.

- **Key Managerial Personnel** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

- **Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.

- **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.

- **Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy but defined in the Act or any rules framed under the Act shall have the meanings assigned to them therein.

APPLICABILITY

This policy is applicable to:

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

COMPOSITION OF THE COMMITTEE

The composition of the Nomination & Remuneration Committee is / shall be in compliance with the Act, Rules made there under, as amended from time to time.

ROLE OF THE COMMITTEE

- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To formulate the criteria for evaluation of Independent Director and the Board;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy;
- To carry out an evaluation of Director's performance;
- To recommend to the Board the appointment and removal of Directors and Senior Management;
- To devise a policy on Board diversity, composition, size;
- To develop a succession plan for the Board and to regularly review the plan;
- 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;
- To perform such other functions as may be necessary or appropriate for the performance of its duties;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To develop a succession plan for the Board and to regularly review the plan.

CRITERIA FOR DETERMINING

(A) QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- Their financial or business literacy/skills;
- Other appropriate qualification/experience to meet the objectives of the Company;
- As per the applicable provisions of Companies Act, 2013 and the Rules made there under.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

(B) POSITIVE ATTRIBUTES OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under as amended from time to time and shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013

(C) APPOINTMENT OF KMP/SENIOR MANAGEMENT

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent work environment;
- To adhere strictly to code of conduct.

REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and the Committee considers the provision of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel. Further, the Chairman & Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole Time Director) and Senior Management based on prevailing Human Resource (HR) policies of the Company.

The remuneration / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board of Directors/ Shareholders.

REVIEW AND AMENDMENT

The Nomination & Remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amended as and when required, where there is any statutory changes necessitating the change in the policy.