

**PIRAMAL FINANCE PRIVATE LIMITED**  
**(Formerly PHL Finance Private Limited)**

Policy:	Nomination & Remuneration Policy
Approved Date:	13.03.2015
Revision Date	06.05.2016
Approving Authority:	Board of Piramal Finance Private Limited
Version:	V.01
Review Cycle:	Upon regulatory change etc
Annexure:	None

## **NOMINATION POLICY**

### **I. Preamble**

The Nomination and Remuneration Committee (NRC) of Piramal Finance 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 Chief Executive Officer (CEO), 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 PFPL – 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.