



**TERMS OF REFERENCE
FOR
NOMINATION AND REMUNERATION COMMITTEE
OF
HOME CREDIT INDIA FINANCE PRIVATE LIMITED**

Version 5

**Approved by the Board of Directors of
Home Credit India Finance Private Limited
On
October 16, 2018**

**Ondrej Kubik
Whole Time Director/ Chief Executive Officer**

INTRODUCTION

For the purpose of better corporate governance and in compliance with the provisions of the Applicable Laws (as defined hereinafter) the Company shall constitute Nomination and Remuneration Committee of the Directors of the Company (hereinafter referred as “the Committee”).

DEFINITION

1.	Applicable Laws	RBI Master Direction – Non Banking Financial Company–Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘RBI Directions’) on Corporate Governance dated September 01, 2016 as amended from time to time, Section 178 of the Companies Act, 2013, as amended from time to time, and directions, regulations, notifications, orders, issued by the regulatory bodies having jurisdiction over the Company.
2.	Board	Board of Directors of Home Credit India Finance Private Limited
3.	Company	Home Credit India Finance Private Limited
4.	Senior Management	It means and includes Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Operations Officer of the Company;
5.	Conflict of Interest	Any material or pecuniary advantage or undue gain that may be derived either for his/her own benefit or for the benefit of his/her relatives, partners and associates due to the actions and decisions taken in the position held by a person.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS

Unless otherwise provided in Applicable Law, the Committee shall comprise of at least three (03) directors in one or more of the categories (executive/non-executive/independent) as may be decided by the Board from time to time and shall meet on need basis. The members of the Committee shall elect a Chairman from amongst themselves.

The Board shall be authorized to reconstitute the Committee as and when required.

Further all decisions pertaining to the functions, terms of reference, roles, responsibilities and powers of the Committee, or any changes therein, shall be taken by the Board after considering the compliance with the provisions of Applicable Law. While taking such decisions, the Board shall also ensure adherence to the directions of Home Credit Group, if any, issued on corporate governance.

TERMS OF REFERENCE TO NOMINATION AND REMUNERATION COMMITTEE

- i. Evaluating the eligibility of an individual, on the basis of his qualification, positive attributes, independence and past experience, for appointment as the director of the Company and identify persons eligible to be appointed in Senior Management of the Company and advising the Board of Directors/ shareholders with such detailed evaluation in the matter of appointment or removal of such individual.
- ii. Committee shall ensure that person to be appointed as Director is 'fit and proper' and fulfil the set parameters and criteria as may be required by the Company.
- iii. Review from time to time and recommend to the Board for its consideration on the structure for the Board.
- iv. Review and recommend the Board on the re-appointment of the whole time director/ managing director/ manager of the Company.
- v. To recommend to the Board a policy relating to the remuneration to be paid to directors, key managerial personnel and other employees.
- vi. Review, recommend and/ or approve the remuneration, including modification therein, that can be offered to the whole time director/ managing director/ manager/ Non-executive Director of the Company.
- vii. To ensure that the directors does not receive any remuneration from the Company for holding directorship in the Company, apart from the remuneration received in the capacity of a whole time employee for the respective designations held by them in the Company. The Company may pay sitting fees to any of the Directors for attending any meeting of the Company as per the applicable law.
- viii. To ensure that the policy on 'fit and proper criteria' for directors is followed for determining the suitability of a person for appointment / continuing to hold appointment as a director on the Board and to ensure that proper declarations/undertakings as per RBI Directions are received by the Company for the purpose of due diligence.

ROLE, RESPONSIBILITIES AND POWERS OF NOMINATION AND REMUNERATION COMMITTEE

- i. To have full access to information contained in the records of the Company;
- ii. The recommendations of the Committee on any matter relating to appointment of, or remuneration to, the directors shall be binding on the Board;
- iii. To ascertain the 'fit and proper criteria', and lay down the process of due diligence;
- iv. To specify the criteria's for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board and review its implementation and compliance;
- v. To ensure that duly filled in declaration, Deed of Covenant and undertaking is received by the Company during appointment/re-appointment of the directors as per RBI Directions and a declaration from the Directors is received annually as on 31st March confirming that the information already provided by them has not undergone change and where there is any change, requisite details are furnished by them forthwith.

- vi. To place the Remuneration Policy on the website of the Company and to disclose the salient features of the Policy and changes therein, if any, along with the web address of the Policy in the Board's Report.

CRITERIA FOR EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

The assessment criteria's that should be considered in the performance evaluation of Executive Directors, Non-Executive Directors and Independent Directors by Nomination and Remuneration Committee are set out herein below:

Name of Director being assessed: _____

S. No.	Assessment Criteria	Rating	Remarks
1	Participation in the meetings of Board & Committees		
2	Education & Qualifications		
3	Competence of the person for effective examination of the financial and other information related to the operations of the Company and for making positive contribution to the Board and the Company.		
4	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.		
5	Safeguard of confidential information and demonstration of highest level of integrity.		
6	Information about the Company and the external environment and factors affecting the working of the Company.		
7	Keeps his/her knowledge updated and applies the same in decision making and rendering advice to management for resolution of business issues keeping Company's interest in view.		
8	Demonstrates leadership qualities and actively takes initiatives for contributing to the growth and profitability of the business.		
9	Exercises his/her own judgment and voices opinion freely		

BOARD OF DIRECTORS AND COMMITTEE OF DIRECTORS

The assessment criteria's that should be considered by the Board in the performance evaluation of the entire Board and Committees of Directors are set out herein below:

S. No.	Assessment Criteria	Rating	Remarks
1	The Board/Committee has the right mix of knowledge, skills, qualification and diversity (gender/background/competence/experience) for conducting the affairs of the Board/Committee effectively.		
2	The Board / Committee of Directors is effective in decision making.		
3	The Board /Committee of Directors is effective in providing necessary advice and strategic guidance to the Company's management.		
4	The number of meetings of appropriate length held during the year is adequate for the Board/Committee to be effective.		
5	The Board/Committee meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
6	The Board/Committee of Directors reviews the performance of the Company on regular basis and issues necessary directions on need basis.		
7	The Board/Committee of Directors keeps themselves updated with key changes affecting the business operations of the Company.		
8	The Board/Committee of Directors is aware of level of compliances in the Company and takes necessary action to ensure adherence to Applicable Laws.		
9	The Board of Directors has performed its duties/functions as per the Applicable Laws.		
10	The Committee has performed its duties/functions as per the Applicable Laws and the terms of reference approved by the Board of Directors of the Company.		
11	Procedure for convening meetings of Board/ Committees as per law are duly followed, discussions during the meetings are duly recorded in minutes and minutes are shared with members for review before finalization.		
12	Adequate time is devoted by the Board and Committee on monitoring the effectiveness of the governance practices and changes made whenever needed.		

POLICY ON 'FIT AND PROPER' CRITERIA FOR DIRECTORS

The Company has put in place this "Fit & Proper Criteria" for Directors with the approval of the Board for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis as per the RBI Directions.

Accordingly, the Company shall ensure that the following criteria's are considered, in order to conclude that a person is 'fit and proper' to be appointed as a director on the Board or to continue in that capacity (as the case may be):

- The person shall be between 30 to 70 years of age or age as prescribed by any applicable regulation/ notification for being considered for appointment as director.
- The person possesses the following characteristics to perform properly the duties of a director on the Board :
 - educational and/or technical qualifications in the field of finance, accounts, business administration, legal, human resources, information technology, marketing, sales and audit;
 - knowledge in the finance, banking, insurance, capital market, information technology, customer care, telecommunication, retail sales sectors with a proven track record of working in the industry for more than 5 years and good interpersonal and communication skills;
 - leadership and management experience, preferably in finance, banking, insurance, capital market, information technology, customer care, telecommunication, retail sales businesses;
 - highest personal and professional ethical standards, honesty, integrity and judgement;
 - commitment to improving the business, its continued well-being and making a difference;
 - vision, imagination and foresight for development of the Company.
- The person is qualified to be appointed as director, not attracting any disqualifications at the time of appointment as prescribed under various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and no proceedings have been initiated against the person involving any civil, criminal, economic offence, taxation authorities or relating to any other regulatory body such as SEBI, IRDA, MCA or under any other applicable law which disqualifies the person for being appointed as a director at the time of appointment. Details of disqualifications are annexed as **Annexure – A**.
- The person or the entities in which he is interested must not have been subjected to any investigation at the instance of any Government Department or Agency.
- The person or the entities in which the person is interested must not have been prosecuted / convicted for the violation of any economic laws and regulations.
- The person has no Conflict of Interest in performing the duties as a director on the Board and adequate disclosures are made by the person in this regard.

ANNEXURE – A

List of disqualifications:

1. A person shall not be eligible for appointment as a director of a company, if —
 - a. he is of unsound mind and stands so declared by a competent court;
 - b. he is an undischarged insolvent;
 - c. he has applied to be adjudicated as an insolvent and his application is pending;
 - d. he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
 - e. an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
 - f. he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
 - g. he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - h. he has not obtained Director Identification Number.
2. Unless otherwise prescribed by any order/judgment/decreed of any Court having competent jurisdiction or any other competent authority, a person shall not be a director if such person is or has been a director of a company which—
 - a. has not filed financial statements or annual returns for any continuous period of three financial years; or
 - b. has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more.
3. A person has been guilty for insider trading as per the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.
4. A person has been named as a willful defaulter in the RBI defaulter list.
