

SUPREME HOME LOANS

Sapno ka ghar, Supreme ke sang

NOMINATION AND REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

Date of Approval by Board	10.03.2026
Version	1.2

SUPREME HOUSING FINANCE LIMITED

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PREAMBLE

The Nomination and Remuneration Policy of Supreme Housing Finance Limited has been formulated in compliance with the applicable laws, regulations and best governance practices. This policy is designed to ensure a transparent, fair and merit based approach in the nomination of Non-Executive Directors and Independent Directors. By adopting this policy company seeks to uphold high standards of governance, enhance stakeholder confidence, attract and retain competent professionals essential for its success.

PRIMARY OBJECTIVE

The primary objective of the Policy is to :

- Establish a framework for selection, appointment and evaluation of Non-Executive Directors and Independent Directors.
- Ensure that the level and composition of remuneration are reasonable, sufficient and aligned with industry standards to attract, retain, motivate qualified professionals.
- Promote a performance-driven culture by linking remuneration with individual and company performance, while considering long-term sustainability and stakeholder interests.

This policy is guided by the principles of fairness, transparency, and accountability to support the overall growth and success of the company while safeguarding the interests of its shareholders and stakeholders.

The Nomination and Remuneration Committee shall meet as and when required and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

APPLICABILITY

This Policy is applicable to:

1. Non-executive Directors
2. Independent Directors

DEFINITIONS

- **“Company”** means Supreme Housing Finance Limited.
- **“Policy”** means Nomination & Remuneration Policy for Non-Executive Directors & Independent Directors.
- **“Non- Executive Directors”** shall mean directors other than Executive Directors.

- **“Independent Director”** shall have the same meaning as assigned under Section 149(6) of the Companies Act, 2013 and shall be governed by Schedule IV of Companies Act, 2013.
- **“Nomination and Remuneration Committee (NRC)”** means the committee constituted for the purpose of Appointment and Remuneration of Non-Executive Directors and Independent Directors. The Committee shall comprise of minimum three (3) members, whereby Independent Directors forming majority.

For SHFL, the constitution of Nomination and Remuneration Committee shall comprise of the following:

Independent Director	Chairman
Independent Director	Member
Non- Executive Director	Member

“Quorum” means the minimum members required to commence the meeting. The quorum for Nomination and Remuneration Committee shall be 2 (two) members personally present.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The role of the NRC inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- To recommend to the Board the appointment and removal of Non-Executive Director and Independent Director;
- To carry out evaluation of the performance of Non-Executive Directors, Independent Directors and recommend to the Board their appointment (including re-appointment) / removal based on their performance;
- To recommend to the Board
 - (i) policy relating to remuneration for Non-Executive Directors,
 - (ii) Sitting fees and other payments (Other than stock Option) payable to Independent Directors ;
 - (iii) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of Non-Executive Director/Independent Director;
- To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure that the vacancy of the Independent Director is filled up within a period of three (3) months or next Board meeting from the date of such vacancy, whichever is later;

- To ensure that the Independent Director/ Non-Executive Director make a proper declaration of Independence/Interest & Concern in the form as prescribed under the applicable laws;
- To ensure that the Independent Director shall not be on the Board of more than three(3) NBFCs (NBFC-ML or NBFC-UL) at the same time.

NOMINATION DUTIES

The duties of the NRC in relation to nomination matters include:

- Ensuring that there is an appropriate induction programme for new Directors and reviewing its effectiveness;
- Ensuring that on appointment, the Non-Executive Directors and the Independent Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- Identifying and recommending the Directors who are to put forward for retirement by rotation excluding Independent Directors;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Evaluating the performance of the Non-Executive Directors/Independent Directors in the context of the company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Non-Executive Director as an employee of the company subject to the provision of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the NRC in relation to remuneration matters include:

- The remuneration payable to the Non-Executive Directors(including Independent Directors) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the company's performance, and the provisions of the Companies Act, 2013 and rules made thereunder;
- The remuneration payable to the Non-Executive Directors (including Independent

Directors) may be restricted to the sitting fees for attending meetings of the Board and Committees of Board, provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to Non-Executive Directors and shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force;

- The remuneration payable to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Companies Act, 2013;
- The Independent Director(s) shall not be eligible for any stock options of the company, if any.

TENURE OF INDEPENDENT DIRECTORS

An Independent director shall hold office for a term upto five (5) consecutive years but for not more than two (2) consecutive terms i.e he shall not hold office as Independent Director for more than 10 years.

The provisions regarding re-appointment after the expiry of two (2) consecutive terms shall be eligible after their expiry of three (3) years of ceasing to become Independent Director.

REMOVAL

Due to the reasons for any disqualifications mentioned in the Companies Act, 2013 or under any other Act, rules and regulations made thereunder, for the time being in force, the NRC may recommend to the board with reasons recorded in writing, removal of Non-Executive Directors/Independent Directors as per the provisions of the applicable laws/regulations.

POLICY REVIEW AND AMENDMENT

This Policy may be reviewed on annual basis or as and when required depending upon the circumstances prevalent by the Nomination and Remuneration Committee subject to the approval of Board to ensure its relevance to the prevailing business/regulatory requirements.