

MORNING GLORY LEASING AND FINANCE LIMITED
(FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT)
*(In compliance with SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015)*

1. PREAMBLE

A. The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board") and for Key Managerial Personnel ("KMP") and the Management Personnel ("MP") of the Company (collectively referred to as "Executives"). The expression KMP shall have the same meaning as defined under the Companies Act, 2013; "management personnel" means personnel of the company excluding Board of Directors comprising such levels of managerial personnel as may be decided from time to time. This Policy also provides a framework for identification of persons who are qualified to become directors and who may be appointed as senior management for recommendation of their appointment to the board. "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

B. This Policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the board of directors of the Company.

C. The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

2. AIMS & OBJECTIVES

A. The aims and objectives of this remuneration policy may be summarized as follows:

B. The remuneration policy aims to enable the company to attract, retain and motivate high quality members for the Board and executives.

C. The remuneration policy seeks to enable the company to provide a well- balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate regulations.

D. The remuneration policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

E. The remuneration policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. PRINCIPLES OF REMUNERATION

a. Support for Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.

b. Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

c. Internal equity: The Company shall remunerate the Executives in terms of their roles and responsibilities within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

d. External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.

e. Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

f. Performance: Driven Remuneration: The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.

g. Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. REMUNERATION TO NON EXECUTIVE DIRECTORS

Non Executive directors may be paid remuneration by way of fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the law applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013.

5. COMPENSATION STRUCTURE

Executives unless otherwise decided by the Committee shall receive a competitive remuneration package consisting of the following components:

Fixed salary

Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company.

Personal benefits

Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.

6. CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF SENIOR MANAGEMENT

The members of the board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner.

Independent directors shall be person of integrity and possess expertise and experience and/or someone who the Committee/board believes could contribute to the growth/philosophy/strategy of the Company.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global Business, social perspective, educational and professional background and personal achievements.

Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their Duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

The candidate for the appointment of senior management should possess adequate qualification, characteristics and work experience.

The candidate for senior management should also possess high level of personal and professional ethics, integrity and values.

For any appointment of senior management, the existing employees in the organisation may be preferred. While assessing the candidature of existing employee, his/her past performance in the Company should be taken into consideration.

7. AMENDMENTS TO THIS POLICY

The Nomination and Remuneration Committee is entitled to amend this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy.

8. APPROVAL AND PUBLICATION

This remuneration policy as framed and or amended by the Committee shall be recommended to the Board of Directors for its approval.

The policy shall be disclosed in the Director's report to be issued by the Board of Directors in terms of requirements of Companies Act, 2013.