

UNITED CREDIT LIMITED

CIN: L65993WB1970PLC027781

REMUNERATION POLICY

1. BACKGROUND

United Credit Limited has a rich heritage. The Company was formed as a Non-Banking Financial Company in the year 1970 consequent upon nationalization of United Bank of India Limited.

It is imperative that to retain competent workforce, the Company must have a Remuneration Policy which should be fair and reasonable.

2. PURPOSE

The Policy is formulated pursuant to Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Schedule II Part D (A)(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- i) to determine qualifications, positive attributes and independence of directors as well as to ensure a fair and reasonable remuneration on the basis of appropriate appraisal by the Nomination and Remuneration Committee in line with the requirement of Companies Act, 2013;
- ii) to tap out untapped creativity of the employees and to motivate the employees to give their best for the growth and prosperity of the Company;
- iii) to ensure consistency in compensation throughout the Company on the basis of qualification, experience and ability to perform.

3. REMUNERATION

i) Non-Executive Directors

The Non-Executive Directors are entitled to receive remuneration by way of fee for attending meetings of the Board or Committees thereof pursuant to Section 197(5) of the Companies Act, 2013 and rules framed therefor.

Apart from fees for attending the meetings of the Board or its Committees, the non-executive directors may be given a percentage of the net profits of the Company. Such percentage is restricted to one percent of the net profits of the Company if there is a managing or whole-time director or manager and three percent of the net profits in any other case. Depending on the financial position of the Company, the Board may consider payment of remuneration to Directors, who are neither Managing Director nor Whole-time Director, in terms of Section 197 of the Companies Act, 2013 from time to time.

ii) **Managing Director / Whole-time Director / Manager**

Pursuant to second proviso to Section 197(1) of the Companies Act, 2013, the remuneration payable to any one managing director or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together. In case of absence of profits or inadequacy of profits, the Managing Director or Whole-time Director or Manager may be paid remuneration in accordance with the provisions of Schedule V of the Companies Act, 2013.

The above limits may be exceeded on compliance of necessary statutory requirements.

iii) **Key Managerial Personnel, Senior Management and other employees**

Remuneration payable to the Key Managerial Personnel (other than Managing Director/Wholetime Director/Manager), Senior Management and other employees will be determined on the basis of performance and contribution made by the respective personnel and employees to the Company from time to time.

Remuneration may be appropriately divided into fixed and incentive pay depending on the financial position of the Company.

4. **Selection of Directors, Key Managerial Personnel and Senior Management**

The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors. The Committee will also identify persons who are qualified to be appointed in the position of Key Managerial Personnel and Senior Management. Selection of the personnel is based on qualification, experience in the industry, previous employment and position held.

5. **Independence of Directors**

The criteria for independence of Directors is governed by Section 149(6) of the Companies Act, 2013 and Schedule IV of the said Act.

6. **BOARD**

The Board of Directors will review the performance of the Independent Directors and remuneration to be paid to the Directors, Key Managerial Personnel, Senior Management and other employees from time to time on the recommendation of the Nomination and Remuneration Committee.

7. **MODIFICATION**

The members of the Nomination and Remuneration Committee will review the policy from time to time and, whenever required, recommend to the Board any modification thereto.

Place: Kolkata

Date : 23rd May, 2014

Note : The existing Remuneration Policy has been suitably modified in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Board of Directors in its meeting held on 4th November, 2015.