

JAINAM BROKING LIMITED

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NOMINATION & REMUNERATION POLICY

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NOMINATION & REMUNERATION POLICY

1. INTRODUCTION

This Nomination and Remuneration Policy is being formulated in compliance with the Section 178 of the Companies Act, 2013 read along with the applicable rules made thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the **Nomination and Remuneration Committee ('NRC' or 'the Committee')** and has been approved by the Board of Directors.

2. DEFINITIONS

- a. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

- b. **"Key Managerial Personnel"** means:
 - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - ii. Chief Financial Officer;
 - iii. Company Secretary; and
 - iv. such other officer as may be prescribed.

- c. **"Senior Managerial Personnel"** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013; as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. OBJECTIVES

The Key Objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors. In case of Key Managerial Personnel (other than Directors) i.e. Company Secretary and Senior Management Personnel the Managing Director is authorized to appoint and remove them. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance

- ii. To recommend to the Board on Remuneration payable to the Whole Time Director and Managing Director. In case of Key Managerial Personnel (other than Directors) i.e.

Company Secretary and Senior Management Personnel the Managing Director is authorized to decide the remuneration payable to them in accordance with Policy of Human Resources Department (HRD). However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

- iii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- iv. To devise a policy on Board diversity.

4. COMPOSITION OF COMMITTEE

The Composition of the Nomination and Remuneration Committee shall be of minimum of three or more non-executive Directors out of which not less than one-half shall be the independent directors. The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee. The Company Secretary of the Company shall act as Secretary of the Committee.

5. MEETINGS

The Committee shall meet at least one time in a year and for such other times as may be prescribed under the applicable laws at the appropriate times during the years.

6. QUORUM FOR THE MEETINGS

The quorum necessary for the transaction of business shall be two members including the presence of at least one Independent Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

7. MATTERS TO BE DEALT BY THE COMMITTEE

The following matters shall be dealt with by the Committee:

a. Size and composition of the Board:

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

b. Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

c. Succession plans:

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

d. Evaluation of performance:

- i. Make recommendations to the Board on appropriate performance criteria for the Directors.
- ii. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third party facilitator in doing so.
- iii. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

e. Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- i. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
- ii. Individual and total remuneration of non-executive Directors and the chairperson (if nonexecutive), including any additional fees payable for membership of Board committees;
- iii. the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to: (i) attract and motivate talent to pursue the Company's long term growth; (ii) demonstrate a clear relationship between executive compensation and performance; (iii) be reasonable and fair, having regard to best governance practices and legal requirements and (iv) balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals
- iv. the Company's incentive compensation and equity based plans including a consideration of performance thresholds and regulatory and market requirements;

8. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide

whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

9. TERM/TENURE

a. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

10. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

11. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

12. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

13. REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

i. Remuneration to Managing Director / Whole-time Directors:

- a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

ii. Remuneration to Non- Executive / Independent Directors:

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

- d. Any remuneration paid to the directors of a company including Managing or Whole-time director for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e. The Compensation Committee of the Company, if at any time constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

iii. Remuneration to Key Managerial Personnel and Senior Management:

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

14. IMPLEMENTATION

- a. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b. The Committee may Delegate any of its powers to one or more of its members.

15. REVIEW OF THE POLICY

The Committee will discuss any revisions that may be required, and recommend any such provisions to the Board for consideration and approval.
