



NOMINATION AND REMUNERATION POLICY OF JANA CAPITAL LIMITED

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1. Introduction

1.1 Nomination and Remuneration Policy of Jana Capital Limited (JCL) is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules made thereunder.

1.2 JCL considers human resources as its invaluable assets. This policy aims at harmonizing the aspirations of the directors and employees with the goals of the Company.

1.3 Human capital is a strategic source for value creation and, therefore, it is necessary to put in place a comprehensive Compensation Policy that is aligned with the market-trend in addition to being employee-friendly.

2. Objectives

2.1 To ensure that the quantum and composition of remuneration is reasonable and sufficient to attract talents from the market and is able to retain and motivate the employees to run the Company successfully.

2.2 To ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance, skill sets, risks and responsibilities involved in the role, qualifications, commitment, knowledge in the relevant field in which they are functioning and to protect employees, particularly against inflationary pressures.

2.3 To retain and encourage high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the “Nomination and Remuneration Committee” (NRC) in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Managerial Personnel.

4. Definitions

4.1 “Director” means a director appointed to the Board of the Company.

4.2 “Key Managerial Personnel” means

- (i) the Chief Executive Officer or the Managing Director or the Manager in their absence Whole Time Director
- (ii) the Company Secretary;
- (iii) the Chief Financial Officer; and

(iv) such other officer as may be prescribed under the Companies Act, 2013.

4.3 “Senior Management” means personnel of the Company who are members of its core management team excluding the Board of Directors, comprising all members of the management one level below the executive directors, if any.

5. Constitution of the “Nomination & Remuneration Committee:

5.1 The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements. The composition of the Committee shall be in line with the requirements of the Act.

5.2 The Company Secretary of the Company shall act as the Secretary of the Committee.

5.3 Membership of the Committee shall be disclosed in the Annual Report.

5.4 The terms of the Committee shall continue unless terminated by the Board of Directors.

6. Role of the Committee:

Roles of the NRC will be the following:

6.1 To formulate criteria for determining qualifications, positive attributes and independence of a Director.

6.2 To formulate criteria for evaluation of Independent Directors and the Board.

6.3 To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

6.4 To carry out evaluation of Directors’ performance.

6.5 To recommend to the Board the appointment and removal of Directors and Senior Management.

6.6 To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

6.7 To devise a policy on the Board diversity, composition and size.

6.8 To undertake succession planning for replacing Key Executives.

6.9 To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

7. Frequency of meetings:

7.1 The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate with at least one meeting in a year.

7.2 The quorum for the Committee Meeting shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

7.3 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Conflict of interest of the Committee members:

A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

9. Appointment of Directors/ Key Managerial / Senior Management personnel

The NRC, *inter-alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection and makes recommendations to the Board of Directors for their consideration and approval. Similarly, the Committee should consider the requirement of skills, educational qualifications, experience, etc., of persons whose cases the Committee would recommend for appointment as Key Managerial and Senior Management Personnel.

10. Remuneration to Directors/KMP/Senior Management Personnel

10.1 Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Compensation, etc., to be paid to Managing Director / Whole-time Directors shall be governed by the provisions of the Companies Act, 2013 and rules made thereunder 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 payable to Managing Director / Whole-time Director.

10.2 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 thereunder 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 meant for Directors/ Key Managerial Personnel.

d) Any remuneration paid to Non- Executive / Independent Directors 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 a professional; and
- ii. In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

10.3 Remuneration to KMP or other Senior Management Personnel

The remuneration structure shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Retiral Benefits, if any
- (iv) Performance Linked Incentives/Annual Bonus as decided from time to time.

10.4 Remuneration to all employees including KMPs and Senior Management Personnel

All employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/ bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

11. 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.

12. Evaluation

As per Section 178(2) of the Companies Act 2013, the Nomination and Remuneration Committee shall, with the approval of the Board, specify the criteria for effective evaluation of the performance of the Board, its committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

Accordingly, the Company has devised Criteria for Evaluation which stipulate the manner of evaluation of the performance of the Board, its committees and individual Directors.

13. Removal

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

14. 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 even after attaining the retirement age for the benefit of the Company.

15. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Long-term Incentives (LTIs), etc.

16. Modification and Amendment

The Board on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit, from time to time.
