

JK Technosoft Limited
{CIN: U64202DL1988PLC030870}

Nomination and Remuneration Policy

NOMINATION AND REMUNARATION POLICY

[Pursuant to section 178 (3) of the Companies Act, 2013]

This Nomination and Remuneration Policy is being formulated in compliance with section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. 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.

DEFINITIONS

“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;

“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.

“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.

COMPOSITION OF THE COMMITTEE AND ITS GOVERNANCE

The Nomination and Remuneration Committee comprise of a minimum 3 (three) Non-Executive Directors.

At present, the Composition of the Committee are as follows:-

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|------------------------|-----------------------------|
| Mr. Arvind Thakur | — Chairman of the committee |
| Mr. Abhishek Singhania | — Member |
| Mr. Vipul Prakash | — Member |

The Board has power to reconstitute the Committee to keep it consistent and in alignment with the Company's policy and applicable statutory requirement.

Constitution/Re-constitution of the Committee shall be discussed in the Annual report.

Frequency of Meeting:

The meeting of the Committee shall be held as and when its need arises.

Quorum:

Minimum two (2) directors will constitute a quorum for the committee meeting.

OBJECTIVE

The objective of the policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMPs and Senior Management of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- To recommend to the Board the appointment/reappointment and removal of Directors, Key Managerial Personnel and Senior Management;
- To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel;
- To carry out evaluation of Director's, KMPs and Senior Manager's performance;
- To devise a policy on Board diversity, composition, size;
- To Approve, monitor and issuance of ESOP Scheme of the Company including its subsidiaries as authorized by the Board of Directors.
- 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;

- To assist the Board in fulfilling its responsibilities;
- To perform such other functions as may be necessary or appropriate for performance of its duties.

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

- 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.
- 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.
- 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.

TERM/TENURE

a) Managing Director/Whole -time Director

- The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman or Executive Director or Whole Time Director for a term not exceeding five (5) years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.

b) Key Managerial Personnel and Senior Management

- The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR Policy of the Company or as per the applicable provisions of the Companies Act 2013 and rules made thereunder, if any.

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.

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.

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.

REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT

a) Remuneration to Managing Director/Whole-time Director:

- 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.
- 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.

b) Remuneration to Non- Executive Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013.
- All the remuneration of the Non- Executive 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.
- Any remuneration paid to Non- Executive Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration.

c) Remuneration to Key Managerial Personnel and Senior Management:

- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay, incentive pay and long term compensation in the nature of ESOP, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- 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.

REVIEW AND AMENDMENTS

- The Committee or the Board may review the policy as and when it deems necessary.
- The Board of Directors or the Committee shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy.
