

JMJ FINTECH LIMITED

Formerly Known As Meenakshi Enterprises Limited)

NOMINATION & REMUNERATION POLICY

1. Introduction

In terms of Section 178 of the Companies Act 2013 and applicable rules this policy on Nomination and Remuneration of Directors and Key Managerial Personnel (KMP) of JMJ FINTECH LIMITED (Formerly Known AS Meenakshi Enterprises Limited) has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors and Key Managerial Personnel.

2. Definitions

Directors & KMP

Directors means persons appointed as Directors of the Company. Key Managerial Personnel ('KMP') means

- Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager;
- Whole-time Director (WTD);
- Chief Financial Officer (CFO);
- Company Secretary (CS);
- Chief Operating Officer (COO);
- Any other Senior Management Personnel designated as such by the Board
- Such other officers as may be prescribed by the Companies Act 2013.

Remuneration

"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

3. Constitution

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 Company shall be in line with the requirements of the Act and Membership of the Committee shall be disclosed in the Annual Report. The Committee so constituted by the Board shall consist of three or more non-executive directors out of which not less than one-half shall be 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 he shall not chair such Committee. The terms of the Committee shall be continue unless terminated by the Board of Directors.

4. Role of committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Recommend managerial positions in accordance with the criteria laid/ Board Skill Matrix as approved by the Board.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel in accordance with the criteria laid/ Board Skill Matrix.
- Formulate policy on remuneration of the directors and key managerial personnel.
- Deal with any matter ancillary to the above and matters which the committee feels appropriate in this connection.

However, nomination and remuneration committee shall not have any power to deal solely with any matters which falls within the powers/duties of other statutory committees constituted.

5. Meetings

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. 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. The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend the Annual General Meeting of the Company. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

A member of the Committee is not entitled to participate in discussion and vote, when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated

The minutes of the meeting shall be signed within 30 days of the meeting by the chairman.

6.Chairman & Secretary

NR committee may elect a Chairperson of its meetings. Where no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

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

7.Voting:

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.Policy for appointment of Directors & KMP

The appointment of Directors/KMP shall be as per the provisions of the Companies Act 2013 and RBI norms. The criteria for appointment of Directors/KMP are given below-

- i. **Directors:** the Committee shall consider candidates who are able to read and understand financial statements of NBFC/Financial Institutions and has capacity to take part in management of the Company efficiently. The committee shall give due weightage and priority to candidates from NBFC/banking/Financial institutions background and professionals like CA,CS,CMA, Lawyers, CFA, CPA etc. The committee shall ensure that the Company has adequate number of independent directors as per Companies Act 2013 and RBI norms. The candidates preferred for role of independent directors shall be professionals like CA,CS, CMA, IPS, IFS, lawyers having knowledge in applicable laws or any other person whom the committee believes to possess specialised knowledge in any areas related to the company operations. The committee shall ensure that the proposed directors do not have criminal background and are not persons who has been disqualified to be directors under Companies Act 2013 and/or other applicable laws. The candidates shall be “fit and proper” as per applicable RBI norms. Requirements under applicable laws shall be complied without fail.
- ii. **Chief Financial Officer:** A person to be appointed as chief financial officer shall be a commerce graduate or post graduate. A person possessing qualifications like CA,CMA, CS or similar finance professionals courses shall be given priority. A person who do not possess professional qualifications could be considered if the committee believes him/her to be having great experience in matters relating to accounts management/treasury management and appears to be capable of handling the position with full dedication.
- iii. **CEO/ COO:** A chief executive officer (CEO)/ Chief Operating Officer (COO) is the highest-ranking executive in a company, whose primary responsibilities include making major decisions relating to operations, managing the overall operations and resources of the company, acting as the main point of communication between the board of directors (the board) and employees and act as public face of the Company to an extent. CEO shall be appointed as Key Managerial Personnel under section 203 of the Companies Act 2013. Though COO is not recognised as under the Companies Act 2013, the committee could appoint him as KMP as per this policy.

CEO/COO shall be a person with good knowledge in operational aspects of NBFC/Banks/Financial Institutions and shall possess good interpersonal skills to deal with employees as well as other stakeholders.

- iv. **Company Secretary:** A person shall be eligible to be appointed as Company Secretary of the Company under Section 203 of the Companies Act 2013, only if he/she has completed Company Secretaryship course offered by the Institute of Company Secretaries of India (ICSI), constituted under the Company Secretaries Act 1980 and has obtained “membership number” from the ICSI. If the candidate has more Qualifications in addition to Company Secretaryship, then it would be more advantageous to the Company. Candidates with knowledge in NBFC/Banking could be given more priority while considering applications from CS qualified. The candidate shall possess good interpersonal skills and drafting skills necessary for the role. The committee may consider her/him to be appointed as “Compliance Officer” under RBI norms. Knowledge in internal audit/accounts/legal aspects could be an added advantage for the Company.

9.Tenure

Tenure of appointment of Directors and KMP shall be compliance with provisions of the Companies Act 2013 and rules framed thereunder. In case of non-statutory KMP, the company may follow the industry practices.

10.Evaluation

The committee shall carry out annual evaluation of Directors by itself or through the Board or an independent external agency, and review implementation thereof.

11.Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

12.Policy relating to the Remuneration for the Executive Director, KMP and Senior Management Personnel

The remuneration/ compensation to the Director/KMP will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required under applicable laws.

In case the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, it shall be subject to the approval of shareholders by special resolution.

The Company may pay fixed remuneration to the Managing Director/CEO/COO/CS/CFO on a monthly basis. The Company may pay to the Managing Director/CEO/COO/CS/CFO such incentives/commission as may be applicable to other employees for business development/business promotion.

The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Commission under Companies Act 2013 could be paid in accordance with provisions of the Act

The company shall provide reimbursement for maintenance charges of vehicles owned by the Company but given to aforesaid persons for daily conveyance purposes or official purposes.

An Independent Director shall not be paid any remuneration other than those mentioned above, which is likely to affect his independence as envisaged under applicable laws. An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company.

Managerial Remuneration shall be paid in accordance with Section 197 and other applicable provisions of the Companies Act 2013. In case of inadequate profits for the Company, the conditions relating to payment of remunerations shall be strictly complied without fail. The remuneration payable to a director shall be inclusive of the remuneration payable to him for the services rendered by him in any other capacity.

Reimbursement of Expenses: The Directors would be entitled to reimbursement of expenses incurred for attending the Board/ Committee meetings and other meetings.

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval required under this section, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

Taxability of remuneration shall be as per applicable provisions of tax laws of the country.

13.Review and amendment:

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. In case of any subsequent changes in the provisions of the Companies Act, 2013 or other applicable regulations which makes any of the provisions in the policy inconsistent with the Act or other applicable regulations, then the provisions of the Act or such regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

APPROVED
Sd/-
Managing Director