

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Director, Key Managerial Personnel (KMP) and Senior Management of Kogta Financial (India) Limited and has been 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, Key Managerial Personnel and Senior Management.

OBJECTIVE

This objective of the policy is to ensure that: -

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors 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.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

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. As per Companies Act, 2013, Nomination and Remuneration Committee shall consist three or more non-executive directors out of which not less than one-half shall be independent directors. Further details of the Members of the Committee shall be disclosed in the Board Report.

ROLE OF THE COMMITTEE

The Nomination and Remuneration Committee shall: -

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- Recommend to the Board their appointment and removal;
- To carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;

- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 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.

MEETINGS OF THE COMMITTEE

The meeting of the Committee shall be held at regular intervals as deemed fit and appropriate. The Company Secretary of the Company shall act as the Secretary of the Committee. The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend general meetings of the Company.

A member of the Committee is not entitled to participate in the discussions when his/her remuneration is discussed at a meeting or when his/her performance is being evaluated and the Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) 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.

2) Remuneration to Non-Executive & Independent Directors: -

- **Sitting Fees: -**

The Non-Executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

- **Commission: -**

The profit-linked commission shall be paid within the monetary limit approved by the shareholders of the Company.

- 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

- 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, 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.

3) 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 Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) 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.

TERMS AND TENURE

1. Managing Director / Whole-time Director / Manager (Managerial Person): -

The Company shall appoint or re-appoint any person as its Managerial Person 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.

2. 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, 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.

EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval.

REMOVAL

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

AMENDMENTS TO THE NOMINATION AND REMUNERATION POLICY

The Board of Directors 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.