

# **KEN FINANCIAL SERVICES LIMITED**

CIN : L65990MH1994PLC078898

## **NOMINATION AND REMUNERATION POLICY OF KEN FINANCIAL SERVICES LIMITED**

[Pursuant to Section 178 of the Companies Act, 2013 and Rule No. 6 of the Companies (Meeting of Board and its Powers) Rules, 2014]

### **1. Purpose and Objectives**

Human Resource is the most valuable asset of an Organization. The Remuneration and Nomination Committee has been established by the Board. This policy has been formulated in order to pay equitable remuneration to the officers of the Company.

Its primary function is to assist the Board in fulfilling its responsibilities in relation to compensation of the Company's officers and in the search for and evaluation of potential new Directors and by ensuring that the size, composition and performance of the Board is appropriate for the scope of the Company's activities.

The Committee has overall responsibility for evaluating and recommending to the Board remuneration policy and practice which is consistent with and supports the strategic direction and objectives of the Company.

In performing its duties, the Nomination and Remuneration Committee shall have direct access to the resources of the Company as it may reasonably require and shall seek to maintain effective working relationships with management.

### **2. Objective and Purpose of the policy**

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non Executive) and recommend to the Board policies relating to the remuneration of Directors, Key Managerial Personnel.
- b. To formulate the criteria for evaluation of performance of all the Directors on the Board;
- c. To devise a policy on Board diversity;
- d. The policy also addresses Committee member qualification, Committee member appointment and removal, Committee structure and operation and committee reporting to the Board.

### **3. Membership and Meetings**

The following are the membership and meeting requirements of the Nomination and Remuneration Committee (the 'Committee'):

- (a) The Committee should consist of three or more non executive directors out of which at least one half shall be independent director.
- (b) The member Directors shall have the right to attend all meetings of the Committee at their own election.
- (c) Election and removal of members by the Board shall be by majority vote.
- (d) The duties and responsibilities of the members of the Committee are in addition to those as a member of the Board of Directors.
- (e) The Committee shall meet as per the requirement.
- (f) The Committee may invite the Chief Executive Officer/Managing Director (or equivalent), Chief Financial Officer (or equivalent) and other members of management to attend each meeting (though not necessarily for all the agenda). The Board shall appoint an executive as Secretary to the Committee. The Secretary, in conjunction with the Chairperson, is responsible for setting the meeting schedule for the year, circulating the meeting agenda and supporting material to all committee members and management representatives prior to each meeting. Normal committee distribution requirements for minutes, agendas and supporting material will apply.

#### **4. Nomination and Remuneration Committee Responsibilities**

##### NOMINATION

The responsibilities of the Nomination and Remuneration Committee:

- (a) Review and make recommendations to the Board on the:
- Appointment and removal of Directors;
  - Directors' development and succession planning;
  - Size, skills and composition of the Board.
- (b) Evaluate and make recommendations to the Board regarding the Board's performance.

##### REMUNERATION

- (a) Review the competitiveness of the Company's executive compensation programs to ensure that:
- the Company is able to attract and retain suitably qualified executives;
  - executives are motivated to achieve the Company's business objectives; and
  - the interests of key employees are aligned with the long term interests of shareholders.
- (b) Ensure that the Company develops and implements appropriate programs in the following areas:
- Recruitment, retention and termination of employment;
  - Senior management and staff development and succession planning;

- Performance appraisal of employees;
- Remuneration of employees including Non-executive Directors and Executive Directors
- Short and long term incentive plans for employees;
- Employee superannuation arrangements

(c) Make recommendations to the Board in relation to:

- the annual performance targets for Executive Directors and senior executives
- reporting to the CEO/MD;
- the assessment of the performance of Executive Directors and senior executives reporting to the CEO/MD;
- the annual remuneration of Executive Directors and senior executives reporting to the CEO/MD;
- the annual remuneration assumptions and budget for the organization.

(d) Review and make recommendations to the Board regarding:

- Non-executive Directors fees;
- Renewal/termination of senior executive service contracts;
- Directors & Officers Liability insurance cover.

#### GENERAL

- Committee meetings and report the Committee's actions to the Board with appropriate recommendations.
- Provide a statement for inclusion in the annual report that describes the Committee's Composition and how its responsibilities were discharged.
- Have the authority to conduct or authorise investigations into any matters within the Committee's scope of responsibility. The Committee has the ability to retain independent counsel, professional advisors, or others to assist it in the conduct of any investigation.
- Review and update the Committee's Charter for approval by the Board.
- Perform such other functions as assigned by the Board.

#### COMMITTEE PERFORMANCE

The Board will from time to time evaluate the performance of the Committee to determine whether it is functioning effectively by reference to its Charter and to current best practice.