Kaya Limited

NOMINATION & REMUNERATION POLICY

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Version: 1.1
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1. **Objective:**

The objective of this Policy is to guide the Board of Directors of the Company on:

a. Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management of the Company and any of its branch in or outside India;
b. Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management of the Company and any of its branch in or outside India;;
c. Board Diversity;
d. Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.

2. **Regulatory Framework:**

2.1. Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (together referred to as "Applicable Laws") require the Nomination and Remuneration Committee of a company ("NRC") to recommend to the Board of Directors a policy, relating to the appointment, removal and remuneration of the directors, key managerial personnel and other employees and to devise a policy on Board diversity.

The Applicable Laws also require NRC to lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework.

The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.

2.2. This policy is framed as per the requirements of the Applicable Laws.

3. **Definitions**

3.1. **"Act"** means the Companies Act, 2013 together with the Rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force.

3.2. **"Board'** means Board of Directors of the Company.

3.3. **"Company"** means Kaya Limited

3.4. "**Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

3.5. **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.

3.6. **"Key Managerial Personnel" ("KMP")** means

- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer, and
- Such Other Officer as may be prescribed under the applicable statutory provisions/ regulations.

3.7. **"Senior Management Personnel"** or **"SMP"** means officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the MD & CEO or Whole Time Director, and shall specifically include the functional heads, by whatever name called, the Chief Financial Officer and the Company Secretary.

In case of the Company, SMP to mean the members of the Managing Committee (MANCOM) of the Company.

4. <u>Appointment and Removal of Director, Key Managerial Personnel and SMP:</u>

4.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and SMP and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

4.2. Due to reasons for any disqualification as mentioned in the Companies Act, 2013, and rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

4.3. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.

4.4. The Committee shall identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. Evaluation

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

5.2 The Committee shall formulate a criteria for evaluation of performance of independent directors and the board of directors;

6. Term / Tenure

6.1 Managing Director/Whole-time Director:

a. The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time.

b. No re-appointment shall be made earlier than one year before the expiry of term.

6.2 Independent Director:

a. 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.

b. The Committee shall also decide on to whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

7. Remuneration of Directors, KMP and Senior Management:

7.1 The Committee shall lay down criteria relating to the remuneration for the Directors, Key Managerial Personnel and SMP. However, the remuneration paid by the Company to the any persons mentioned above, except who is part of promoter, promoter group, shall not require approval of the Committee, provided the same is not material.

7.2 The Committee shall determine the remuneration / compensation / profit-linked commission etc. to the Managing Director, Independent Directors, Key Managerial Personnel and Senior Managerial Personnel and recommended to the Board for approval.

7.3 The remuneration payable to any Director/ Managing Director/or Whole-time Director shall be determined, in accordance with the clauses as laid down in the Articles of Association of the Company, and shall be subject to the prior / post approval of the shareholders of the Company, as required.

7.4 The Non-executive Independent Directors of the Company shall be paid sitting fees in terms of the Companies Act, 2013, and rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force. The quantum of sitting fees will be determined as per the recommendation of the Committee and approved by the Board of Directors of the Company.

7.5 The Committee shall form a criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees (Policy is enclosed in **Annexure 1**);

8. Board Diversity

The Company's Policy on Board Diversity is annexed as **Annexure II** to this Policy.

9. Disclosure:

8.1 This shall be disclosed in the Annual Report.
8.2 Disclosure in Corporate Governance report (Schedule V) -Details of change in Senior Management Personal since last FY
8.3 Intimation of Change (Recruitment, Resignation, Removal) in Senior Management Personal & KMP -to be intimated to stock exchange within 12 hours
8.4 Letter of Resignation of Senior Management Personal & KMP with detailed reasons to be submitted to stock exchange within– 7 days from resignation coming into effect
8.5 Fraud or Defaults (affecting listed entity) by Senior Management Personal in India or abroad – to be intimated to Stock Exchange within 12 hours
Action taken or enforcement orders against Senior Management Personal & KMP (relating to listed entity) to be intimated to stock exchange within– 24 hours

10. General

9.1 The Policy would be subject to revision/amendment in accordance with the applicable laws. Any subsequent amendment(s)/ modification(s)/ circular(s)/ clarification(s)/ notification(s) in/under the SEBI Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment thereof, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

9.2 Unless required earlier, the NRC shall review the Policy once in every two years for making suitable amendments for better implementation of the Policy.

9.3 The power to interpret and administer the Policy shall rest with the Chairperson of the NRC whose decision shall be final and binding. The Chairperson is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the NRC, from time to time, to ensure the Committee's oversight on these issues.

Annexure I

Remuneration of Key Managerial Personnel and Senior Management Personnel

Objective

The objective of this policy is to outline the principles and factors that will determine the remuneration of Key Managerial Personnel ("KMP") and Senior Management Personnel and the role of the Nomination and Remuneration Committee ("NRC") in this regard.

Kaya's Remuneration Philosophy and Principles

Kaya believes that remuneration plays a vital role in terms of attracting and retaining talent that is critical for its business success. Remuneration of KMP and Senior Management Personnel will be determined in a manner so that it is competitive, reasonable and sufficient based on Kaya's Remuneration Philosophy and Principles.

The remuneration structure will have a right mix of guaranteed (fixed) pay and pay for performance.

Remuneration will be based on the following principles:

a) the intrinsic worth and future potential of the member which ensures value of meritocracy,
b) the extrinsic worth of the role and desired market competitiveness determined through market benchmarking studies and
c) value add by the role which should be in line with Kaya's employee cost.

Remuneration Fixation Process

The MD & CEO shall propose the remuneration (including annual revisions) for KMP (except him) & Senior Management Personnel to the NRC for its inputs and review. NRC shall review the remuneration (including annual revisions) of KMP & SMP and recommend the same to the Board for its approval. The remuneration would be determined taking into account the merit of each role holder and industry benchmarks relevant to Kaya, to attract and retain talent at the right level of remuneration competitiveness and considering the business's ability to support the employee cost. This would be line with the Company's Policy of Remuneration for its employees.

The NRC would decide and approve the remuneration for KMP & Senior Management Personnel to ensure that it is competitive, reasonable and sufficient to motivate and retain the member.

Policy Approval

The NRC will approve the policy and recommend it to the Board for its approval.

Policy Review

This policy will be reviewed by the NRC once in every two years or earlier if required.

Annexure II

Policy on Board Diversity

Kaya believes in and embraces the benefit of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in the skills, regional and industry experience, background, gender and other distinctions between Directors.

These distinctions would be considered in determining the optimum composition of the Board and when possible would be balanced appropriately.

At a minimum, the Board of the Company shall consist of at least one woman Independent Director. All Board appointments are made on merit, in context of the knowledge, skills, experience, independence and integrity which are required to make the Board as a whole effective.

In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to discharge its duties and responsibilities effectively.

In identifying suitable candidates for appointment for the Board, the committee will consider candidates on merit against objective criteria and due regard for the benefits of diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of Kaya on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

This policy will be reviewed by the NRC once in every two years or earlier if required.

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