



NOMINATION & REMUNERATION POLICY

OF

S.J.S. ENTERPRISES LIMITED

Sl. No.	Particulars	Date
1.	Policy adopted	19.07.2021
2.	Amended	25.04.2023
3.	Amended	28.03.2024

1. PREAMBLE

S.J.S. Enterprises Limited (the “**Company**”) has formulated this policy to provide a framework for remuneration of members of the board of directors of the Company (the “**Board**”), key managerial personnel, and other employees of the Company (this “**Policy**”).

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “**Act**”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

The Board adopted this Policy at its meeting held on 19th July, 2021 and amended on 25th April, 2023 and 28th March, 2024.

2. OBJECTIVE AND PURPOSE

The objectives and purpose of this Policy are:

2.1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company (“**Director**”); and

2.2. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company (“**Board**”). This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) will consist of three or more nonexecutive directors, out of which at least two-thirds shall be independent director(s). The Chairperson of the company may be appointed as a member of NRC but shall not chair the NRC meetings.

The NRC shall meet at such intervals as it may deem fit to carry out the objectives set out in the policy. A quorum for NRC shall be the presence of one-third of its strength or two members, whichever is greater, including at least one independent director. However, in the case of presence of an interested director such quorum as prescribed by Secretarial Standards shall apply. The NRC members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The committee shall have the authority to call such employee(s), senior official(s) and / or external parties, as it deems fit as invitees for deliberations. The Company Secretary shall act as secretary to the committee.

4. FUNCTIONS OF THE NRC

The NRC shall, inter-alia, perform the following functions:

- 4.1 Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) 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;
- 4.2 Formulating criteria for evaluation of performance of independent directors and the board of directors of the Company (the “**Board**”);
 - 4.3 Devising a policy on diversity of Board;
 - 4.4 Identifying persons who are qualified to become directors, or who may be appointed in senior management as KMPs in accordance with the criteria laid down, recommend to the Board their appointment or removal and carrying out evaluation of every director’s performance specifying the manner for effective evaluation of the performance of the Board, its committees and individual directors, which is to be carried out, the Nomination and Remuneration Committee and recommend to the Board or by an independent external agency reviewing its implementation and compliance and recommending it to the NRC;
 - 4.5 Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - 4.6 Recommending to the Board, all remuneration, in whatever form, payable to senior management;
 - 4.7 Administering, monitoring and formulating detailed terms and conditions of the Company’s ESOP plan;
 - 4.8 Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

- 4.9 Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- 4.10 Analyzing, monitoring and reviewing various human resource and compensation matters;
- 4.11 Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 4.12 Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
- 4.13 Carrying out any other function as may be required/ mandated by the Board from time to time and/or mandated as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, each as amended, the listing agreements entered and/or to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are listed/ proposed to be listed and/or any other applicable laws; and Performing such other functions as may be necessary or appropriate for the performance of its duties

5. Appointment criteria and qualifications of Director or Key Managerial Personnel or Senior Management Personnel :

- 5.1. The Board shall comprise of optimum number of Directors as is necessary to effectively manage the affairs of the Company. The Board shall have an appropriate combination of Executive, Non-Executive, Independent and Woman Directors.
- 5.2. The NRC 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 to the Board his / her appointment. While evaluating a person for appointment / re-appointment, the management shall considers various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.
- 5.3. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The commitment has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

- 5.4. Any appointment or continuation of the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years will be subject to the approval of the shareholders by passing a special resolution or such other provisions of the Companies Act, 2013 and rules made thereunder read with SEBI Listing Regulations as amended from time to time.
- 5.5. The appointee while continuing in his / her office shall not engage in any business or commercial activity, which might detrimentally conflict with the interest of the Company.
- 5.6. For appointment of every 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.

6. Term/tenure

- 6.1. Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its, Managing Director or whole time Director for a term not exceeding such term as may be specified under the Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board.
- 6.2. Non-Executive Director: Non-executive director's office is subject to retirement by rotation at the annual general meeting in the manner as specified under relevant laws.
- 6.3. 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 appointment, re-appointment or removal pursuant to a special resolution passed 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 as an independent director after expiry of three years of his/her 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.

7. Resignation:

Director or Key Managerial Personnel or Senior Management Personnel may resign from the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by Director or Key Managerial Personnel or Senior Management Personnel in the notice, whichever is later.

8. Removal:

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

9. Retirement:

The Director, Key Managerial Personnel 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 or Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

10. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

- 10.1. Non-Executive and Independent Directors / (“**NEDs**”) will be paid remuneration by way of sitting fees. The sitting fees to the NEDs will be determined by the Nomination and Remuneration Committee (“**NRC**”) and recommended to the Board for its approval.
- 10.2. The NEDs may be paid remuneration by way of commission as a percentage of profits on annual basis, pursuant to the applicable provision of the Act subject to approval of Members of the Company.
- 10.3. The distribution of commission amongst the NEDs will be placed before the Board. The commission will be distributed on the basis of their attendance and contribution at the Board and certain Committee meetings as well as time spent on operational matters of the Company.
- 10.4. On recommendation of the NRC, the Board may consider appropriate additional remuneration to such NED who has devoted considerable time and efforts in relation to business and matters of the Company. Said remuneration would be within overall limit of commission or remuneration to NED and to the extent permitted under the Act. If there will be any proposal from the Board, the NRC may recommend different remuneration / fees for different Directors, keeping in view the requirement of the Company and statutory provisions. However, in no case, the sitting fees paid to NEDs shall be less than the fees payable to other independent directors.
- 10.5. Keeping with evolving trends in industries and considering the time and efforts spent by specific NEDs, the practice of paying differential commission will be considered by the Board.
- 10.6. NEDs will not be eligible to receive stock options under the existing employee stock option scheme(s) (“**ESOP**”) of the Company.
- 10.7. NEDs are entitled to be paid all travelling and other expenses they incur for attending to the Company’s affairs, including attending meetings of the Company.
- 10.8. The remuneration payable by the Company to NEDs shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.
- 10.9. In case of no profit or inadequate profit in any financial year, the remuneration, if any to be paid to the NEDs will be as per the provision of the Act and rules thereunder.

11. REMUNERATION OF EXECUTIVE DIRECTOR

- 11.1. The compensation paid to the executive directors (including managing director) will be within the scale approved by the shareholders. The elements of the total compensation approved by the NRC will be within the overall limits specified under the Act.
- 11.2. The elements of compensation of the executive director include the elements as described in 4 below.
- 11.3. The NRC will determine the annual variable pay compensation in the form of annual incentive and annual increment for the executive director based on Company's and individual's performance as against the pre-agreed objectives for the year.
- 11.4. The executive directors, except for a promoter director, will also be eligible for ESOPs as per the ESOP scheme in force from time to time. Grants under the ESOP scheme shall be approved by the NRC.
- 11.5. In case of no profit or inadequacy of profit in any financial year, the remuneration payable to the executive director shall be further subject to the relevant provisions of the Act.
- 11.6. Executive directors will not be paid sitting fees for any Board/ committee meetings attended by them.
- 11.7. The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

12. REMUNERATION TO KEY MANAGERIAL PERSONNEL/ SENIOR MANAGEMENT PERSONNEL / OTHER EMPLOYEES

- 12.1. The Company's total compensation for Key Managerial Personnel (as defined under the Act), Senior Management Personnel (as defined under the SEBI Listing Regulations) / other employees will consist of:
 - fixed compensation
 - variable compensation in the form of annual incentive
 - benefits
 - work related facilities and perquisites
- 12.2. The NRC shall recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.



- 12.3. In addition, select senior executives will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by the NRC.
- 12.4. Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, and a position allowance.
- 12.5. The annual incentive (variable pay) of executives will be linked to the Key Result Areas (KRA's) which comprise of i) Individual Performance related KRA's and ii) Company Performance related KRA's.
- 12.6. Based on the grade and seniority of employees, benefits for employees include:
- Health-Related
 - Health (hospitalization) insurance
 - Accident and life insurance
- 12.7. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.
- 12.8. A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employee.
- Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.
 - Employees may be eligible for ESOPs as per the ESOP scheme approved by the Shareholders and in force from time to time. The objective of the ESOP is to reward the Eligible Employees, for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company.
 - Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.



13. COMMITTEE MEMBERS INTEREST

13.1. A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

13.2. The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the NRC.

14. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

14.1. This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.

14.2. This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.

14.3. Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

15. Administration

This Policy will be administered and monitored by the NRC.

16. DISSEMINATION OF POLICY

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.