

The Jana Bank Limited has in place the Nomination & Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and as required by RBI.

## Chairman

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The Chairman of the Committee shall be a Non-Executive Director. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

The Chairman of the Committee should report to the Board, and as appropriate, make recommendations to the Board after each Committee meeting. The Chairman of the Nomination & Remuneration Committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the General Meetings of the Bank.

## Composition

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Minimum three Non-Executive Directors, majority of them being independent. The Chairperson of the Bank may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. All the members of the Nomination & Remuneration Committee shall possess the skills and knowledge needed to complete the roles and responsibilities of the Committee. The appointment and removal of the members of the Committee shall be as per the provisions of Companies Act, 2013 and the Rules made there under.

## Secretary

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The Company Secretary of the Bank shall act as the Secretary to the Committee. Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

## Meetings and Quorum

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The Nomination and Remuneration Committee must meet:

- With regard to its recommendations to the Board in respect of appointment of Directors ;
- At least once a year to consider remuneration and diversity matters; and
- At such other times as the Nomination and Remuneration Committee Chair shall require.

The quorum necessary for the transaction of business will be two members.

## The terms of reference:

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The terms of reference of the Nomination and Remuneration Committee shall inter alia, include

1. Formulation of 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;

2. To undertake a process of due diligence to determine the suitability of any person for appointment/continuing to hold appointment as a Director on the Board based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto;
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy of Board diversity;
5. Identifying 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 their appointment and removal and succession planning for Directors;
6. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Bank's corporate strategy;
7. To assess the independence of Independent Non- Executive Directors;
8. To review the results of the Board performance evaluation process that relate to the composition of the Board;
9. Annual appraisal of the performance of the Managing Director and fixing his/her terms of remuneration;
10. Annual appraisal of the Senior Management team reporting to the Managing Director;
11. Annual Performance Review of the staff;
12. Framing guidelines for the Employee Stock Option Scheme (ESOS) and decide on the grant of stock options to the employees and Whole Time Directors of the Bank and its subsidiaries.

## **The role of the Nomination and Remuneration Committee:**

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### **Nomination:**

1. Making recommendations to the Board on the necessary and desirable competencies of directors to ensure that the Board has an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities and deliver the Company's corporate objectives;
2. At the request of the Board, making recommendations for the appointment and reelection of directors;
3. Prior to recommending a candidate for appointment to the Board, undertaking checks as to a candidate's character, experience, education, criminal record and bankruptcy history and any other checks it considers appropriate;
4. Establishing and, at the request of the Board, reviewing induction programs for new directors and continuing education programs for all directors in order to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of: - the industry within which the Company operates; - the Company's financial, strategic, operational and risk management position; - the culture and values of the Company; - the rights, duties and responsibilities of the directors; - the roles and responsibilities of the Company's senior management and its subsidiaries; - the role of the Committees; - meeting arrangements; and - director interaction with each other, senior executives and other stakeholders;

4. Regularly reviewing the time commitment required from a non-executive director and whether non-executive directors are meeting this requirement;
5. Evaluating the performance of the Board, its Committees and directors in line with the processes approved by the Board from time to time;
6. Developing, implementing and reviewing the Company's succession plans for membership of the Board to ensure: - an appropriate balance of skills, experience expertise and diversity; and - an appropriate structure and composition of the Board;
7. Ensuring that all non-executive directors: - specifically acknowledge to the Company prior to being submitted for election or re-election that they will have sufficient time to meet what is expected of them; and inform the Chairman of the Company and the Committee before accepting any new appointments as directors of other companies; and
8. Making recommendations to the Board in respect of the membership and chairmanship of the Audit and Risk Committee.

## **Remuneration:**

1. Determining and agreeing with the Board a framework or broad policy for the remuneration of the Managing Director and such other senior executives as it is designated by the Board to consider. No individual shall be directly involved in deciding his or her own remuneration;
2. In determining such policy, taking into account all factors which it deems necessary. The objective of such policy shall be to ensure that senior executives of the Company are motivated to pursue the long-term growth and success of the Company within an appropriate control framework and that there is a clear relationship between senior executive performance and remuneration;
3. Within the terms of the agreed policy, determining the total individual remuneration package of each senior executive ensuring an appropriate balance between fixed and incentive pay including, where appropriate, bonuses, incentive payments and shares or share options to reflect the short and long-term performance objectives appropriate to the Company's circumstances and goals;
4. Determining the Company's recruitment, retention and termination policies and procedures for senior executives;
5. Determining the policy for any incentive schemes to be operated by the Company and asking the Board, when appropriate, to seek shareholder approval for such schemes. The terms of any equity based remuneration schemes shall prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes;
6. Determining the policy for superannuation arrangements for the Company's employees;
7. Determining a framework or broad policy for the remuneration of the non-executive directors of the Company;
8. Reviewing and reporting to the Board on the remuneration of directors, senior executives and all employees of the Company based on gender; and
9. Reviewing and approving the corporate governance section of the Company's annual report.

## **Diversity:**

1. Ensuring that all decisions, frameworks and policies regarding nomination and remuneration are made giving regard to the Company's objectives in respect of promoting and maintaining diversity throughout the Company and on the Board;
2. Reviewing, developing and making recommendations to the Board and, in particular, establishing measurable objectives to promote and maintain diversity throughout the Company and on the Board; and
3. On at least an annual basis, reviewing and reporting to the Board on: - the Company's progress against the measurable objectives set by the Board for achieving greater gender diversity; and - the Company's compliance with the Diversity Policy, and where necessary, making recommendations to the Board on any changes to the Diversity Policy or the measurable objectives for achieving greater gender diversity.