

JM FINANCIAL LIMITED

**POLICY ON SELECTION AND APPOINTMENT OF
DIRECTORS**

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1. Objective:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 (the “Act”), the Nomination and Remuneration Committee of a Board is required to formulate the criteria for determining the qualifications, positive attributes and independence of a director proposed to be appointed as a director on the board of the company.

This Policy document records the criteria for selection and appointment of directors on the Board of JM Financial Limited (the “Company”).

2. Scope:

This Policy is applicable to selection and appointment of directors on the Board of the Company.

3. Criteria for selection of Directors:

The Nomination and Remuneration Committee (the “Committee”) of the Board may consider the following criteria, while assessing the suitability of an individual as a director on the Board of the Company:

- Demonstration of independence, integrity, high personal and professional ethics;
- Ability and willingness to commit sufficient time to the responsibilities as a Board member;
- Understanding of the Company’s business and related industry;
- Skills/expertise/competence required in relation to the business of the Company and the sectors in which it operates for effective functioning;
- General understanding of marketing, finance and other disciplines relevant to the business of the Company;
- Educational and professional background – professional qualification and/or experience of having run a business at senior management level and the decision making process;
- Sufficient experience as well as length of service available;
- Ability to assess the conflict of interest, if any;
- Personal accomplishments, if any, and ability to influence decisions.

4. Identification of individuals for appointment of independent directors:

The Committee, while identifying the independent directors shall evaluate 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 and accordingly make recommendation of such person to the Board who fulfills the requirement of such description.

The Committee, shall while identifying the suitable candidates as stated above, 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.

The above are the broad parameters for assessing the candidate's suitability. The Committee has the discretion to apply additional or different criteria as it may deem fit.

5. *Appointment of Directors:*

The appointment of directors shall be made in accordance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"). Following are the some of the requirements which may be kept in mind while identifying and appointing a person on the Board of the Company.

- (i) the Managing Director and/or the Whole Time Director of the Company cannot serve as an independent director of more than three equity listed companies.
- (ii) a person shall not be a director in more than seven equity listed entities.
- (iii) a person cannot serve as an independent director of more than seven equity listed company/ies including the Company.
- (iv) the name of the person being appointed as an independent director shall be included in the data bank maintained by Indian Institute of Corporate Affairs.
- (v) any erstwhile/former independent director of the Company may be appointed as an executive/whole-time director of the Company, its subsidiary or associate company or on the board of a company belonging to its promoter group, only after the completion of one year from the date of resignation of such independent director.

The appointment will also be governed as per the terms and conditions stated in letter of appointment issued to each of the independent directors.

The Company may appoint or re-appoint any person as the Managing Director and/or Whole-time Director for a term not exceeding five years at a time. Further, they shall not be re-appointed earlier than one year before the expiry of their term.

The Committee shall assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board.

Persons to be considered for appointment as directors are selected by the Committee in accordance with the above principles and as stated under the Act and the Listing Regulations before recommending the names to the Board of Directors.

6. *Approval from Members:*

Any appointment/re-appointment/removal of an independent director, shall be subject to the approval of members of Company by way of a special resolution and in accordance with the applicable provisions of the Act and Listing Regulations. An Independent Director can hold office for a term up to five consecutive years on the Board of the Company and he/she is eligible for re-appointment for a further period of five consecutive years and disclosure of such appointment in the Board's report.

If a person to be appointed/re-appointed as such has already attained/likely to attain the age of seventy five (75) years during his/her tenure, then the approval of the members through special resolution would be required.

No Independent Director can hold office for more than two (2) consecutive terms of five (5) years each, but such Independent Director is eligible for appointment after expiry of three (3) years of ceasing to become an Independent Director; Provided that an Independent Director shall not, during the said period of three (3) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In case of appointment of a person on the Board, the approval of the members of the Company is required to be obtained at the next general meeting or within a time period of three (3) months from the date of appointment, whichever is earlier.

7. *Amendment/Review:*

The Company may amend or review this Policy as and when deemed fit. Any and all provisions of this Policy shall also be amended/reviewed as are required due to any regulatory changes from time to time.

In case any amendments, clarifications, circulars and guidelines as issued by the regulatory body(ies)/authority(ies) and such amendments, clarifications, circulars and guidelines are not consistent with the requirements specified under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail and accordingly this Policy shall stand amended effective from the date as laid down under such amendments, clarifications, circulars and guidelines.

This Policy was last reviewed by the Board of Directors at its meeting held on May 24, 2024