

**Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other employees****1. Preamble**

The primary objective of this Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other employees (the “Policy”) is to provide a framework for the remuneration of the Directors, Key Managerial Personnel (KMP), Members of Senior Management and other employees of the Keynote Financial Services Limited (“KFSL” or the “Company”).

In terms of Section 178 of the Companies Act, 2013, read with rules framed thereunder and Regulation 19 read with Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the Nomination and Remuneration Committee of Directors of the Company (“NRC”) has formulated and recommended this Policy for the approval of the Board of Directors of KFSL.

The primary objectives of this Policy are as under:

- (i) To ensure that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organisational objectives.
- (ii) To ensure that a reasonable balance is maintained in terms of composition of remuneration (fixed and variable component).
- (iii) To have performance measurement parameters in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees.

Based on the above objectives and broad parameters set herein, the Board of Directors of KFSL at its meeting held on January 16, 2015, has approved this Policy.

This Policy has further been amended from time to time and last approved by the Board of Directors in its meeting held on May 29, 2025.

**2. Applicability**

This Policy shall be applicable and act as a guiding principle with regard to remuneration payable by KFSL to all directors, KMPs, Members of Senior Management and other employees of the Company.

**3. Remuneration of Non-Executive/ Independent Directors**

- (i) The key elements of remuneration of Non-Executive/ Independent Directors are commission and sitting fees (except professional fee, if any), subject to overall limit as prescribed in the Companies Act, 2013, read with rules made thereunder and the approval of the shareholders, as applicable. They shall be covered under the Directors and Officers Liability Insurance (D & O) Policy. The Independent Directors shall not be eligible for stock options.
- (ii) Since, the Non-Executive/ Independent Directors collectively endeavor to ensure that the Company performs well and is compliant with applicable laws, rules, regulations and guidelines, they may be paid commission, subject to the approval of the Board.

**4. Remuneration of Whole-time Director's including Whole-time KMP (being a Director)**

- (i) The Whole-time Directors are appointed on a contractual basis for a fixed tenure as approved by the shareholders and such contracts are renewable upon expiry of the tenure subject to recommendation by the NRC/ Board and approval of the shareholders.
- (ii) The remuneration paid to Whole-time Directors is within the limits approved by the shareholders of KFSL which includes fixed salary, perquisites, variable pay in the form of commission, other benefits and allowances and certain retiral benefits, within the overall limit under Section 197 of the Companies Act, 2013. They are also eligible for stock options as per the scheme framed/ to be framed by KFSL, from time to time.
- (iii) The Whole-time Directors shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.
- (iv) Their annual increments shall be linked to their overall performance and as recommended by the NRC and approved by the Board, from time to time.

**5. Members of Senior Management, KMP (other than whole-time directors) and other employees**

- (i) Senior Management shall mean and include the following:
  - (a) Employees in the Organisation layer between N-1 to N-2; and
  - (b) KMPs (other than Whole-time Directors).

- (ii) The key components of remuneration package of the Senior Management and other employees of KFSL shall comprise of basic salary, dearness allowance, house rent allowance, transport allowance, ex-gratia, performance bonus, contribution to provident fund and superannuation fund, premium on medical insurance and personal accident insurance, scholarship for children, gratuity, leave travel allowance, leave encashment etc., which is linked to their grade. They are also eligible for stock options as per the scheme framed/ to be framed by KFSL, from time to time.
- (iii) The remuneration, performance appraisal and rewards of Members of Senior Management and other employees, shall be in line with the stated objectives.
- (iv) The annual increments for the Senior Management and KMP (other than Whole-time Directors) and other employees shall be linked to their overall performance and as decided by the Chairman & Managing Director and Deputy Managing Director in consultation with their reporting managers and Company's HR. The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the Senior Management of the Company.
- (v) Employees must conduct themselves to ensure that there is no breach of Keynote Charter of Action and Code of Conduct, KFSL
- (vi) Code of Conduct, EKL Code of conduct for prevention of Insider trading or such other code as may be applicable from time to time, Standard Operating Procedures (SOPs) and all other relevant and applicable codes is committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

**6. Disclosures in the Board's Report**

- (i) The disclosures as required under the relevant provisions of the Companies Act, 2013, rules made thereunder and SEBI LODR shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.
- (ii) This Policy shall be uploaded on the website of the Company.

**7. Policy review**

- (i) In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy;
- (ii) Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, 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;
- (iii) This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013, rules made thereunder, the SEBI LODR, the Securities and Exchange Board of India Act, 1992, and rules/ regulations/ guidelines made thereunder, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.
- (iv) The NRC may issue/ implement such guidelines, procedures, formats and/ or reporting mechanisms to enforce this Policy as it may deem fit.

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**Keynote Financial Services Limited**

Registered Office: The Ruby, 9<sup>th</sup> floor, Senapati Bapat Marg,  
Dadar (West), Mumbai – 400 028, India

Tel.: +91-22-6826000 Fax – 91-22-68266088

E-mail: [info@keynoteindia.net](mailto:info@keynoteindia.net) Website: [www.keynoteindia.net](http://www.keynoteindia.net)

Corporate Identification Number L67120MH1993PLC072407

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