



NOMINATION

AND

REMUNERATION

POLICY



1. PURPOSE:

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of companies Act, 2013 read along with the applicable rules thereto and Listing Regulation, as Amended from time to time. This policy is based on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by Nomination and Remuneration Committee (NRC or the committee) and has been approved by Board of Directors.

2. OBJECTIVE:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. Relationship of remuneration to perform is clear and meets appropriate performance benchmarks; and
- c. Remunerations to directors and 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.

3. DEFINITIONS:

“Directors” means a director in the company’s board.

“Independent Director” means a director referred in sub section (6) of Section 149 of Companies Act, 2013.

“Remuneration” means any money or its equivalent given or passed to person for services rendered by him and includes perquisites as defined under Income Tax Act, 1961.

“Key Managerial Personnel” or KMP means:

- a. Managing director or Chief Executive Director or Manager and in their absence a Whole time Director;
- b. Company Secretary;
- c. Chief Financial officer and
- d. Such other officer as may be prescribed under the Companies Act,2013



“Senior Managerial Personnel” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above including all Functional Heads.

4. ROLE OF COMMITTEE:

The role of NRC will be the following:

- a. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- b. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- c. To identify the persons who are qualified to become directors and who may be appointed in Senior Management in accordance with criteria laid down in this policy.
- d. To devise a policy on Board diversity, composition, size.
- e. Succession planning for replacing Key Executives and overseeing.
- f. To perform and carry out any such other functions as is mandated by the Board from time to time and/ or enforced by any statutory notification or modification, as may be applicable.

5. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

- a. The committee shall identify and ascertain the integrity, qualification, expertise of the person for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company’s policy.
- b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has Authority to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position.
- c. The company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing special resolution.



6. TERM / TENURE:

a. MANAGING DIRECTOR/WHOLE-TIME DIRECTOR :

The company can appoint or re-appoint any person as its Managing Director, Whole Time Director for a Fixed term not exceeding five years at a time or without any Limitation as to the period he is to hold such office and from time to time remove or dismiss him from office and appoint another in his place (subject to the provisions of any contract between him and company.)

b. INDEPENDENT DIRECTOR :

An Independent Director shall hold office for a term up to 5 consecutive years on the Board of the company, but shall be eligible for re-appointment on passing of Special Resolution 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 after the Expiry of three years of ceasing to become 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. A person shall not serve as an Independent Director in more than seven listed entities and any person who is serving as a Whole Time Director in any listed entity shall serve as an Independent Director in not more than three listed entities or such other number as may be prescribed under the Act.

7. EVALUATION:

The Committee shall carry out evaluation of performance of Directors, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.



8. REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

9. RETIREMENT:

The Director, KMP 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, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after the retirement age, for the benefit of the company.

10. POLICY FOR THE REMUNERATION TO DIRECTORS/SENIOR MANAGEMENT PERSONNEL:

1. Remuneration to Managing Director/Whole-time Directors:

a). The Remuneration/ Commission etc. to be paid to Managing Directors, etc. shall be governed as per provisions of Companies Act, 2013 and rules made there under or any other enactment for the time being in force and approvals obtained from the Members of the Company.

b). The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-Time Directors.

2. Remuneration to Non-Executive / Independent Directors:

a). The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The Amount of sitting fees shall be such as may be recommended by Nomination and Remuneration Committee and approved by Board of Directors.



b). All the Remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meeting as prescribed as under section 197(5) of Companies Act 2013) shall be subject to ceiling limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Amount of remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholder as the case may be.

c). An Independent Director shall not be eligible to get Stock options and also shall not be eligible to participate in any share based payment schemes of the company.

d). Any remuneration paid to Non- Executive / Independent Directors for Services rendered which are of professional in nature shall not be considered as part of remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i. The services are rendered by such Director in his capacity as the professional; and
- ii. In the opinion of the Committee, the director possesses the requisite for the practice of that professional.

3. Remuneration to Key Managerial Personnel and Senior Management Personnel:

a). The Remuneration to KMP and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the companies policy.

b). The fixed pay shall include monthly remuneration, employees contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

c). The incentive pay shall be decided based on the balance between performance of the company and performance of the Key Managerial Personnel and Senior Management, to be decide annually or at such intervals as may be considered appropriate.



4. **Implementation:**

- The committee may issue guidelines, procedures, formats, reporting, mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The committee may delegate any of its powers to one or more of its members.