

NOMINATION AND REMUNERATION POLICY

• **INTRODUCTION**

The Company considers human resources as its invaluable assets. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management and other employees has been formulated in terms of the provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) in order to pay equitable remuneration to the Directors, KMPs, Senior Management and other employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

• **OBJECTIVE AND PURPOSE OF THE POLICY**

The Objectives and purpose of the policy are:

The Nomination and Remuneration Committee (“NRC” or “Committee”) and this policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Listing Regulations. The Objective of this policy is

- (i) 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”).
- (ii) To lay down a framework in relation to remuneration of directors, Key Managerial Personnel, senior management and other employees.

• **CONSTITUTION OF THE COMMITTEE**

The Board of Directors of the Company (Board) has constituted the committee to be known as the Nomination and Remuneration Committee in accordance with the requirements of the Act and the Listing Regulations. The Chairman of the Committee shall be an Independent Director.

The Board shall have authority to reconstitute this Committee from time to time in accordance with the requirements of the Act and the Listing Regulations.

• **APPLICABILITY**

- a. Directors (Executive and Non-Executive)
- b. Key Managerial Personnel
- c. Senior Management
- d. Other employees



- **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP or senior management and recommend to the Board his/her appointment.

The MD/CEO/Management will identify candidates internally or externally for the post of KMP, Senior management, and will propose to Nomination and Remuneration Committee ("NRC" or "Committee") for its approval for appointment along with proposed remuneration. The remuneration will be proposed in consistent with the strategy of the company and in line with the comparable market & internal remuneration benchmarks.

The management may also recommend candidate for the post of director including independent director.

A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.

The Committee shall identify whether the director is willing to serve on one or more committees of the Board as also devote such time as necessary for proper performance of his duties.

The Committee shall analyze whether the Independent Director being considered is willing to and shall be able to carry out the duties which every independent directors are required to follow. The Committee shall check whether the prospective Director / KMP/Senior Management shall be able to follow the code of conduct of the Company or not.

The Committee, along with the Board, on continuous basis will review appropriate skills, characteristics, fit and proper status and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in areas that are relevant for the company and its business.

a) **Term/tenure of Managing Director/Whole Time Director/Independent Director**

The Committee shall ensure that the appointment or Re-appointment of any Director as above is carried out as per rules and regulations given under the Companies Act, 2013, the Listing Regulations along with other applicable laws.

b) **Criteria for Evaluation of Directors**

The Board of Directors/Committee shall carry out the evaluation of performance of its Directors and Independent Directors based on the below criteria



Participation

- Attendance
- Availability
- Time spent
- Preparedness
- Active participation
- Analysis
- Objective discussion

Knowledge and skill

- Industry and Business Knowledge
- Functional expertise
- Corporate governance
- Development of Strategy & Long term plans
- Inputs in strength area

Others

- Director's obligation and discharge of responsibilities
- Quality and value of contributions
- Relationship with other Board Members

For every appointment of an 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.

For the purpose of identifying suitable candidates, the Committee 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.

- **REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other Applicable Act, rules and regulations there under, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director or KMP or senior management subject to the provisions and Compliance of the said Act, rules and regulations.

- **RETIREMENT**

The Whole-time Directors, KMP and senior management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the



Company subject to compliance with the Act and the Listing Regulations and other applicable laws.

- **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT/OTHER EMPLOYEES**

- 1. Remuneration to Managing Director/Whole Time Director/Executive Directors.**

The Remuneration/compensation/commission etc. to be paid to Managing Director/Whole time Director/Executive Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under, the Listing Regulations or any other enactment for the time being in force or as per the policy of the Company & ongoing industrial norms.

The form and amount of director remuneration will be recommended by the Committee to the Board for approval within the maximum amount permissible under the applicable laws and will be subject to shareholders and regulatory approvals, wherever applicable. The Employee directors will not be paid any remuneration for Board membership / sitting fees in addition to their regular employee compensation.

The Committee will conduct a review of director compensation on a periodic basis to ensure directors of the Company are compensated effectively in a manner consistent with the strategy of the Company, and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.

- 2. Remuneration to Non-Executive Director /Independent Director.**

The Non-Executive Independent Director may receive sitting fees only as per the provisions of Companies Act, 2013. The Amount of sitting fees 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.

In addition to the above, Non-Executive directors (NED)/Independent Directors (ID) will be entitled to reimbursement of all expenses for participation in Board and other meetings.

ID and/or NED may be paid for the services rendered by such director in any other capacity provided that a) The services rendered are of a professional nature; and b) The Committee is of the opinion that the director possesses requisite qualification for the practice of the profession.

- 3. Remuneration to KMP/Senior Management**

The form and amount of KMP/Senior Management remuneration will be recommended by the Committee to the Board for approval.

The Committee will conduct a review of compensation on a periodic basis to ensure KMP/senior Management of the Company are compensated effectively in a manner consistent with the strategy of the Company, and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.



4. Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as may be revised by the management from time to time and approved by the CEO/MD/WTD.

- **POLICY REVIEW**

This Policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the Listing Regulations.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration committee as and when any changes are to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Company. Any Changes or modifications on the policy as recommended by the Committee would be given for approval of the Board of Directors.