

## **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Policy ("the Policy") applies to the core management team of the Company, that is:

- i. The Board of Directors ("**Board**");
- ii. The Key Managerial Personnel ("**KMP**"); and
- iii. The Senior Management personnel ("**SMP**") - employees of grade JL7 & above, who are otherwise not covered at 'i' and 'ii', above.

### **OBJECTIVE:**

The objective of the policy is to ensure that

- 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;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMP and SMP 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.

### **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and Independence of a Director.
- To formulate criteria for evaluation of Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

### **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at SMP 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 a special resolution.

## **(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:**

### **1. Qualifications:**

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

### **2. Positive attributes:**

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise their responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to their professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

### **3. Criteria of Independence:**

An Independent director should meet the requirements of the Companies Act, concerning the independence criteria.

## **(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees**

### **A. Managing Director and Whole Time Directors**

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

### **B. Non-Executive Directors (NEDs)/ Independent Director (IDs)**

NEDs/IDs may receive sitting fees (if any) 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 the Nomination and Remuneration Committee and approved by the Board of Directors.

All the remuneration of the NEDs / IDs (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the 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 such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and shareholders.

### **C. KMP & SMP**

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**(III) Evaluation of Board Structure and Performance:**

The Nomination and Remuneration Committee shall review yearly or at such intervals as may be considered necessary the structure, size and composition (including the skills, knowledge and experience) of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to Board diversification and succession planning.

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NOMINATION AND REMUNERATION POLICY APPROVED ON THIS 14<sup>TH</sup> DAY OF MAY 2018  
BY COMMITTEE

Sd/-

**Chairman of the Committee**