



## NOMINATION AND REMUNERATION POLICY

### 1. INTRODUCTION AND OBJECTIVE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made there under and Clause 49 (IV) of the Listing Agreement, the Company has constituted Nomination and Remuneration Committee (herein after referred to as "**Committee**") which formulated a Nomination and Remuneration Policy to ensure that the Board and top management is appropriately constituted to meet its fiduciary obligations to stakeholders, to identify persons who are qualified to become Directors and who may be appointed in senior management and/or as Key Managerial Personnel (KMP) of the Company in accordance with the criteria's laid down, recommend to the Board the appointment, removal, remuneration of the Directors, Senior Management and KMP and evaluation of every Director's performance, in line with the provisions of the Companies Act, 2013 and rules prescribed therein and as per the Listing Agreement with Stock Exchange(s), as amended from time to time and/or such other statutory notification, amendment or modification, as may be applicable.

### 2. APPLICABILITY AND EFFECTIVE DATE

The Policy shall be applicable to:

1. The Board of Directors of the Company
2. KMP of the Company
3. Senior Management of the Company
4. Such other person(s) as may be prescribed by the law time being in force

This policy shall be effective from May 02, 2014.

### 3. CRITERIA FOR IDENTIFICATION AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMPs) AND SENIOR MANAGEMENT PERSONNEL (SMPs)

#### Criteria for Identification:

1. The Committee shall identify and determine the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMPs or SMPs and recommend to the Board his / her appointment.
2. The criteria for determining independence of an Independent Director and qualification of a Director shall be governed by the Companies Act, 2013 and rules made there under.
3. A person should possess requisite qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a candidate are adequate for the concerned proposed position.
4. The HR policy of the Company shall be applicable to KMPs and SMPs.
5. The minimum and maximum age limit of persons shall be governed by HR policy of the Company and all applicable laws for the time being in force and may be relaxed or extended subject to compliance of applicable provisions of law / rule / regulations.



6. It will be ensured by the Committee that (a) The composition of the Board in terms of capabilities diversity and independence is appropriate (b) The succession planning is robust (c) Remuneration Policy structures are appropriate to attract & retain talent at the Board and Senior Management level.

**Quorum :** Either two members or one third of the members whichever is greater with at least one Independent Director

**Criteria for Removal:**

The Committee may recommend to the Board for:

1. removal of any Director, who is disqualified, under Companies Act, 2013 and rules made there under or due to any other reason recorded in writing.
2. removal of any KMPs / SMPs, who is disqualified due to any reason recorded in writing.

**4. MANNER & CRITERIA OF FORMAL ANNUAL EVALUATION OF BOARD'S PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

In compliance with requirements of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the formal annual performance evaluation of the Board, its Committees and Individual Directors will be conducted as under

The Board / Committee shall carry out need based evaluation of performance of every Director at least once in a year and Board / Committee, if required, may engage the services of any outside agency for evaluation process and cost of the same shall be borne by the Company.

The aforesaid evaluation shall be conducted as per the criteria laid down by the NRC as follows:

(1) Board as a whole

- Structure of Board including Composition/Diversity/ Process of appointment /qualifications/experience, etc
- Fulfillment of functions of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring Company's governance practices etc., as per the Act and Listing Regulations).
- Meetings of Board (Number of Board Meetings held during the year including quality/quantity/timing of circulation of agenda for Board Meetings, approval process/recording of minutes and timely dissemination of information to Board.
- Professional Development and Training of Board of Directors as required



(2) Board Committees

- Composition of Committee
- Fulfillment of functions of the Committee with reference to its terms of reference, the Act and the Listing Regulations.
- Number of committee meetings held during the year.

(3) Individual Directors

- Fulfillment of responsibilities as a director as per the Act, the Listing Regulations and applicable Company policies and practices.
- In case of the concerned director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or member of the Committees, with reference to such status and role;
- Board and/or Committee meetings attended and General meetings attended.

**4. POLICY ON REMUNERATION**

**Remuneration to Directors:**

1. The Non Executive Directors including Independent Directors shall be paid sitting fee as may be decided by the Board from time to time for attending meetings of Board and Committees thereof subject to ceiling limit as provided in Companies Act, 2013 and rules made there under. The out of pocket expenses incurred by Directors to attend the meetings shall be reimbursed. The Non Executive Directors including Independent Directors may also be paid commission in accordance with provisions of the Companies Act, 2013 and rules made there under.
2. The Executive Directors including Managing Director(s) shall be paid remuneration as recommended by Nomination and Remuneration Committee considering their qualification, experience and market condition and if such remuneration exceeds the prescribed limits under the Companies Act, 2013 and rules made there under, it shall be approved by the prescribed authorities. The remuneration payable to any one Executive Director shall not exceed five percent of the net profits of the company and if there is more than one such Executive Director shall not exceed ten percent of the net profits of the company which shall be calculated in manner as provided in section 198 of the Companies Act, 2013. In case of no profits or inadequate profits the remuneration shall be paid in accordance with schedule V of the Companies Act, 2013.

**Remuneration to KMPs / SMPs:**

The KMPs / SMPs shall be paid remuneration in accordance with their term of appointment and such remuneration shall be based on total cost to company (CTC) which may include a balance between fixed and incentive pay.

The above remuneration shall be subject to annual increments which will be based on his / her performance as per annual appraisal of KMPs / SMPs in accordance with HR policy of the Company.



**Remuneration to Other Employees :**

The power to decide criteria for remuneration of Other Employees has been delegated to HR Department of the Company.

**5. AMENDMENT**

Any subsequent amendment/modification in the Companies Act, 2013 and rules made thereunder, listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

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