



Nomination and Remuneration Policy

Rev No

1

Date

February
2023

NOMINATION AND REMUNERATION POLICY

1. PREFACE:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay appropriate remuneration to all Directors and key managerial personnel, Nomination and Remuneration Committee ("NRC"), has formulated this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), in accordance with provisions of Companies Act 2013 and has been approved by Board of the Company.

2. CONSTITUTION OF COMMITTEE:

The Board of Directors of the Company constituted a committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee shall be an Independent Director. However, the chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to remuneration of directors and KMP.

The Key objectives of the Committee would be:

- 2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior management.
- 2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 2.3 Evaluation of 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. The Committee would be able to use services of external agencies, if desired, consider candidates from wide range of backgrounds, having due regard to diversity and consider the time commitments of the candidates.
- 2.4 Formulation of the criteria for evaluation of the performance of the Independent Director and members of the Board and provide necessary report to the Board for further evaluation of the Board. Devising a policy for diversity of Board of Directors.
- 2.5 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 2.6 whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 2.7 To recommend to the Board on Remuneration payable to the Directors, Key

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- Managerial Personnel and senior management.
- 2.8 To assist the Board in fulfilling responsibilities.
- 2.9 To monitor policies and processes regarding principles of corporate governance.

3. APPLICABILITY:

- 3.1. Directors (Executive and Non-Executive)
- 3.2. Key Managerial Personnel
- 3.3. Senior Management

4. DEFINITIONS:

- 4.1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 4.2. "Board" means Board of Directors of the Company.
- 4.3. "Directors" mean Directors of the Company, who are Board members of the Company.
- 4.4. "Key Managerial Personnel" means
 - 4.4.1. Managing Director, Or Chief Executive Officer or Manager or in their absence, Whole Time Director
 - 4.4.2. Chief Financial Officer
 - 4.4.3. Company Secretary; and
 - 4.4.4. Such other officer as may be prescribed.
- 4.5. "Senior Management" means officers / personnel of the entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS AND KMPs:

5.1. Appointment Criteria and Qualifications:

- 5.1.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director OR KMP and recommend to the Board his / her appointment.
- 5.1.2. 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

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sufficient / satisfactory for the concerned position.

- 5.1.3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

5.2. Tenure:

5.2.1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

5.2.2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- 5.2.3. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an 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.

- 5.2.4. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

5.3. Evaluation:

The Committee shall carry out evaluation of performance of every Director & KMP at regular interval (yearly).

5.4. 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, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

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5.5. Retirement:

The Director, KMP 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, in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. POLICY FOR REMUNERATION TO DIRECTORS & KMP:

6.1. Remuneration to Managing/Whole-time / Executive Director & KMP:

The Board on the recommendation of the Nomination and Remuneration Committee shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

The Board, on the recommendation of Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors, Key Managerial Personnel and Senior Management of the Company.

The Annual Plan and Objectives for Executive Directors shall be reviewed by the Nomination and Remuneration Committee and Annual Performance Bonus, if any will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

6.2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration/compensation / commission 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.

The Managing / Whole Time Director, Independent. Non-executive Director, Senior Management and other employees shall receive the remuneration, which is reasonable and sufficient to attract, retain and motivate, to run the company successfully. The Committee may determine relationship of remuneration to performance with clear and appropriate performance benchmarking.

The remuneration to Directors, key managerial personnel and senior management shall involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

7. DUTIES IN RELATION TO NOMINATION MATTERS:

The duties of the Committee in relation to nomination matters include:

- 7.1. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act
- 7.2. Identifying and recommending Directors who are to be put forward for retirement by rotation

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- 7.3. Evaluating the performance of the Board members in the context of the Company's performance from business and compliance perspective
- 7.4. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or Termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 7.5. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 7.6. Recommend any necessary changes to the Board; and
- 7.7. Considering any other matters, as may be requested by the Board.

8. DUTIES IN RELATION TO REMUNERATION MATTERS:

The duties of the Committee in relation to remuneration matters include:

- 8.1. Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the board.
- 8.2. Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- 8.3. Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- 8.4. Considering any other matters as may be requested by the Board.

9. EVALUATION OF PERFORMANCE OF DIRECTORS:

The evaluation of performance of Independent Directors shall be carried out based on individual Director's participation in the deliberation at the Board / Committee meetings of the Company, time devotion and his/her contribution for achievement of the objectives and goals of the Company.

The evaluation of performance of Managing / Whole Time Directors shall be carried out based on Director's active role in the Company, his/her contribution towards successful achievement of the objectives and goals of the Company.

10. REVIEW AND AMENDMENT:

- 10.1. The NRC or the Board may review the Policy as and when it deems necessary.
- 10.2. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- 10.3. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes

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necessitating the change in the policy

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