

## NOMINATION AND REMUNERATION POLICY

### Preamble

Pursuant to Section 178 of the Companies Act, 2013 and Rules framed thereunder (as amended from time to time) (the “Act”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “SEBI Listing Regulations”), the Board of Directors of every listed Company is required to constitute the Nomination and Remuneration Committee.

### I. Objective

In order to comply with the requirements of section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, The Nomination and Remuneration Committee of the Board of Directors of the Company (the “Committee”) had formulated this policy (the “Policy”).

The Key objectives of the Policy are as follows:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive /Non- Executive) and recommended to the Board of Directors (the “Board”), policies relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and other employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their efforts, performance, dedications and achievements relating to the Company’s operations.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To device a Policy on Board Diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of report of the performance evaluation of Independent Directors.

### II. Definitions

- a. “Act” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. “Board” means the Board of Directors of the Company.
- c. “Directors” shall mean the Directors of the Company.
- d. “Key Managerial Personnel” or KMP means:

in relation to a company as defined sub -section 51 of section 2 of the Companies Act, 2013 means and includes:

- (i) The Chief Executive Officer and the Managing Director or the Manager;
  - (ii) The Company Secretary;
  - (iii) The Whole Time Director
  - (iv) The Chief Financial Officer
  - (v) Such other officer, not more than one level below the directors who is in the whole time employment, designated as Key Managerial Personnel be the Board; and
  - (vi) Such other officer as may be prescribed.
- e. “Senior Management” shall mean officers/personnel of the listed entity who are the members of its core management excluding board of directors and normally this shall comprise all the members of management

one level below the chief executive officer/managing director/ whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

f. "Independent Director" means a director referred to in section 149(6) of the Act.

### III. Appointment and Removal of Directors, KMPs and Senior Management.

#### a. Appointment Criteria and Qualifications:

i. the committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommended to the Board his/her appointment.

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

iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole Time Director or manager within the meaning of the Act, who has attained the age of 70 (seventy) years.

Provided that the appointment of such person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing special resolution, based on the explanatory statement annexed to the notice of the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment or extension of appointment beyond the age of 70(seventy) years.

#### b. Term/Tenure:

##### *(i) 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 re-appointment shall be made earlier than one year before the expiry of term.

##### *(ii) Independent Director*

An Independent Director shall not hold office for more than two consecutive terms. However such independent directors shall be eligible after the expiry of three years of ceasing to become an independent director, subject to the independent director, during the said period of three years not being associated with the company in any other capacity, either directly or indirectly.

Any tenure of Independent Director on the date of the commencement of Companies Act, 2013 shall not be counted as a term under section 149 of the Companies Act, 2013.

At the time of appointment of Independent Director it should be ensured that, the number of Directors as on the Board, one third of directors in case of listed company should be independent director.

### EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly.

### 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

### 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 attaining the retirement age, for the benefit of the Company.

## **PART B – Policy for Remuneration to Directors, Key Managerial Personnel and Senior Management**

Remuneration to Managing Director /Whole-Time Directors:

- a) 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.
- 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.

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 the Nomination and Remuneration Committee and approved by the Board of Directors;
- b) All the remuneration of the Non-Executive/Independent Directors (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 or shareholders, 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 the 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 qualification for the practice of that profession.

Remuneration to Key Managerial Personnel and Senior Management:

The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

### **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.