

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2011, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC” or “the Committee”) and has been approved by the Board of Directors.

OBJECTIVES:

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 and key managerial personnel involves balancing of short and long-term performance objectives appropriate to the working of the company and its goals.

DEFINITIONS:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Key Managerial Personnel**” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

ROLE OF THE NOMINATION & REMUNERATION COMMITTEE:

The role of the committee, *inter alia*, shall be: -

- a. 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.
- b. provide recommendation to the Board regarding appointment and removal of Directors and Senior Management.
- c. perform any other function as is directed by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

GUIDING PRINCIPLES:

The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company:

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/KMPs and Senior Management Personnel of the quality required to run the company successfully;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to Directors, KMPs and Senior Management Personnel 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.

CRITERIA FOR DETERMINING ATTRIBUTES OF DIRECTORS:

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position and are in accordance with the provisions of the Act and Regulation 16(1)(b) of LODR.
3. The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with LODR.
4. 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 the members by a special resolution.

5. The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act and rules thereunder.

INDUCTION OF DIRECTORS:

1. On appointment, the directors shall receive a Letter of Appointment setting out the terms of appointment, duties and responsibilities. Each newly appointed director will be taken through a formal induction programme.
2. The induction process should be designed in such a way so as to familiarize them with the Company, their rights and responsibilities in the Company, nature of industry in which the Company operates, and business model of the company.
3. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
4. The Company may organize site visits for Directors from time to time

NEED FOR ADOPTING PERFORMANCE EVALUATION CRITERIA:

Nomination & Remuneration Committee has to identify & adopt following criteria for performance evaluation of independent directors & the board of directors of the Company and the evaluation will be performed on Annual basis

LIST OF FACTORS FOR PERFORMANCE EVALUATION:

- a. Meeting participation and contribution by a director.
- b. Number of meetings attended.
- c. Commitment (includes guidance provided to senior management)
- d. Effective management of relationship with stakeholders.
- e. Effective deployment of knowledge and expertise in the various fields.
- f. Integrity and maintenance of confidentiality.

IMPLEMENTATION OF PERFORMANCE EVALUATION PROCESS:

The Nomination and Remuneration Committee in consultation with Board may be responsible for implementation of evaluation of performances.

REMUNERATION OF DIRECTORS AND KMPs:

1. The remuneration of the Executive Directors, KMPs and Senior Management Personnel should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract, retain and motivate the aforesaid persons.
2. Remuneration to Executive Directors shall be paid by way of salary (including fixed pay and variable pay), perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and Shareholders.
3. The non-executive directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees.
4. The KMPs shall be paid remuneration approved and / or noted by the Board of Directors. The Senior Management Personnel shall be paid remuneration as per Company's policy.
5. Exceptional increments in the existing remuneration of Executive Directors and KMPs shall be approved and or noted by the Committee within the limits prescribed under the Act. Increments in the remuneration of Senior Management Personnel shall be as per Company's policy.
