

Introduction:

In terms of Section 178 of the Companies Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of Company has been formulated and approved by the Board of Directors.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

Terms:

“The Board” means the Board of Directors of the Company

“Director” means a director of a company

“Committee” means the Nomination and Remuneration Committee as constituted or reconstituted by the Board

“Key Managerial Personnel” (KMP) means

- i. The Chief Executive Officer or the Managing Director or the manager;
- ii. The Whole-Time Director;
- iii. The Chief Financial Officer; and
- iv. The Company Secretary;

and such other officer as may be prescribed under the Companies Act, 2013 from time to time.

Senior Management means personnel of the Company who are members of its core management team excluding the Board and all members of the management one level below the Executive Directors.

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

Constitution of the “Nomination & Remuneration Committee:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements.

The composition of the Company shall be in line with the requirements of the Act and Listing Regulations. Membership of the Committee shall be disclosed in the Annual Report.

The Company Secretary of the Company shall act as the Secretary of the Committee.

The Proceedings of all the “Nomination & Remuneration Committee” meetings must be minuted and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

Terms of Reference

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- Recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Carry out evaluation of performance of each Director;
- Carry out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time.
- Perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time

Appointment and Removal of Directors and KMP

- The Committee shall identify and ascertain, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment
- The Company shall not appoint or continue the employment of any person as Managing Director / Whole –Time Director or Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee 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.
- The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time 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
- 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.
- Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Remuneration

Executive Directors, KMP and Senior Management Personnel

- The composition of remuneration determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Personnel of the quality required to effectively run the Company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks
- Remuneration to the Directors will be determined by the Committee and recommended to the Board. The same shall be subject to the approval of the shareholders.
- Increments to the existing remuneration of the Directors shall be approved by the Committee within the overall limits as approved by the shareholders and placed before the Board.
- Increments to the existing remuneration of KMP and Senior Management will be approved by the committee and recommended to the Board.
- Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and rules made thereunder
- Provisions for excess remuneration: If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the regulatory bodies

Non-Executive / Independent Director:

- Sitting Fees: The Non-Executive/Independent Directors may receive remuneration by way of fees for attending meetings of Board.
- Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013
- Stock Options: An Independent Director shall not be entitled to any stock option of the Company

Amendments to the Nomination and Remuneration Policy:

The Board on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.