

## NOMINATION AND REMUNERATION POLICY

### 1. Introduction

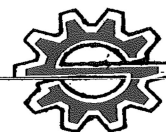
In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel, Senior Management Personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

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 and Regulation 19 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other employees.

### 2. Definitions

- **Act** means the Companies Act 2013 and Rules framed there under, as amended from time to time.
- **Board or Board of Directors** in relation to a company means the collective body of the directors of the Company
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board or its members in accordance with the Act and applicable listing regulations.
- **Director** means directors appointed to the Board of the Company
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013
- **Key Managerial Personnel** in relation to a company means
  - Chief Executive Officer or the Managing Director
  - Whole time Director
  - Chief Financial Officer
  - Company Secretary
  - Any other person as defined under the Companies Act, 2013 from time to time
- **Policy** means Nomination and Remuneration Policy
- **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
- **Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.





### 3. Objectives of the Committee

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 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.
- To identify 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.
- To determine whether to extend or continue the term of appointment of the Independent Directors on the Board on the basis of the report of performance evaluation of Independent Directors.
- Formulation and specification of criteria for effective evaluation of Independent Directors, the Board of Directors and the Committees of the Board to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable in whatever form to the Directors, Key Managerial Personnel and Senior Management in terms of the provisions of the Act and the applicable rules and regulations
- To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure remuneration to Directors, Key Managerial Personnel and Senior Management 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:
- To assist the Board in fulfilling responsibilities.

### 4. Effective date of the policy

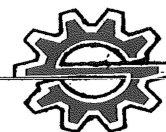
This amended policy shall be effective from April 01, 2019.

### 5. Composition of Committee:

#### Members

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.





## Chairperson

- Chairman of the Committee shall be an Independent Director
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee may be present at the Annual General Meeting or authorize any other committee member to answer the shareholders' queries.

## Frequency of Meetings

The Nomination and Remuneration Committee shall meet atleast once in a year.

## Quorum

Quorum of the meeting shall be either two members or one-third members of the committee, whichever is greater including atleast one independent director in attendance.

## Minutes of Committee Meeting

Proceedings of all meetings must be minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## Voting

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **6. Committee Members' Interest**

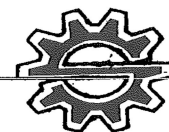
- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **7. Applicability of Policy:**

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel
- Other Employees as may be identified by the Committees from time to time

Any departure from the policy can be undertaken with the approval of the Board of Directors.





## 8. Appointment of Director and Senior Management

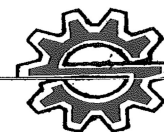
- A person to be appointed as Director, KMP and Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for.
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the person.
- A person to be appointed as Director, KMP and Senior Management must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations/ Human Resources or other disciplines related to the Company's business.
- A person to be appointed as Director, KMP and Senior Management shall not have any material interest with the Company or any of its officers, other than as a Director or shareholder of the Company. Wherever required he/she should disclose the nature of his interest, if there are reasons to believe there is or a likelihood of potential conflict of interest.
- Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder
- The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/Executive director/Independent director who has attained the age of seventy five years. Provided that the term of the person holding this position may be extended beyond the age of seventy five 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 five years.
- A whole – time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as director in any Company, with the permission of Board of Directors of the Company.

## 9. Remuneration

The Remuneration for the Directors, KMP, Senior Management Personnel and other employees is designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

The Remuneration Policy is generally based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees. Remuneration comprises of fixed Component viz. salary, perquisites and allowances and a variable component based on the targets achieved





## **(i) Directors**

The Nomination and Remuneration Committee shall recommend to the Board, the remuneration, including commission if any based on the net profits of the Company for the Executive Directors and Non-Executive Directors (if any) within the maximum limits as set under the Companies Act, 2013, and rules made thereunder and subject to the approval of the shareholders as and when applicable, to reinforce the principles of collective responsibility of the Board.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and Whole time Director. A proper balance between fixed and variable component is aimed at.

Salary is paid within the limits recommended by the Nomination & Remuneration Committee to the Board and approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. A comparison with the peer group if required is also considered for evaluation.

Perquisites and retirement benefits are paid according to the Company policy, and applicable laws and regulations as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise and skills in their individual capacity as independent professionals. Independent Non-Executive Directors are presently receiving sitting fees for attending the meeting of the Board and Board Committees. However, they shall not be eligible for future ESOS schemes, if any announced of the Company.

The sitting fee paid to the Independent Non-Executive directors is determined periodically and reviewed based on the industry benchmarks.

## **(ii) Other Key Managerial Personnel, Senior Management Personnel and Other Employees**

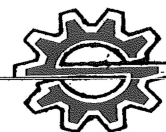
The remuneration of other KMP and other employees including Senior Management Personnel largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy.

They are also entitled to customary non-monetary benefits such as company car and company health care, telephone and accommodation as may be decided by the Management.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

The annual variable pay of the Whole time Director(s) and Senior Management Personnel if paid as recommended by the NRC will be linked to the performance of the Company in general and their





individual performance for the relevant year measured against Company's objectives fixed at the beginning of the year.

The Managing Director shall approve the Remuneration payable to the Key Managerial Personnel (KMP) (other than the MD & Whole-time Directors) from time to time on the criteria and parameters as mentioned in this NRC policy.

The appointment and remuneration payable to the Directors and the Key Managerial Personnel shall be as per the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

## 10. Term /Tenure

### Managing Director /Whole time Director

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

### 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.

No Independent Director shall hold office for more than two consecutive terms of upto 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.

At the time of appointment of Independent Director it should be ensured that the 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 / Managing Director of a listed company or such other number as may be prescribed under the Act.

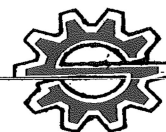
## 11. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly or as deemed fit).

The generic criteria for evaluation can be as follows:

- Profitability
- New Alliances / New Launches
- CAGR of the organization
- Business volumes
- Company turnover
- Customers feedback (Internal and External)
- Shareholders interest





## 12. Removal

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

## 13. Retirement

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

## 14. Review and Amendment

- The NRC or the Board may review the Policy as and when it deems necessary.
- The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- This Policy may be amended or substituted by the Board as and when required.
- This Policy shall be hosted on the Company's website.
- The right to interpret this Policy vests in the Board of Directors of the Company.

## 15. Disclosures

Appropriate disclosures shall be made in the Board's Report of the Company.

## 16. Deviations from the Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

