

# NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy (“NRP”) has been prepared by the Nomination and Remuneration committee (“NRC”), pursuant to the provisions of Section 178 of the Companies Act, 2013 (“Act”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In case of any inconsistency between the provisions of law and this NRP, the provisions of the law shall prevail.

This Policy is divided in three parts: -

Part - A: Matters to be dealt with and recommended to the Board;

Part - B: Appointment and removal of Directors, KMP and Senior Management;

Part - C: Remuneration for the Directors, KMP and other employees.

## **Part - A**

### **Matters to be dealt with and recommended to the Board:**

The following matters shall be dealt with by the Committee: -

#### **(a) Size and composition of the Board:**

To periodically review the size and composition of the Board, with a view to have an appropriate mix of executives and independent Directors, having regard to qualifications, integrity, expertise and experience for the position, to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

#### **(b) Directors:**

To formulate the criteria for determining qualifications, positive attributes, experience and independence of a director and recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and other employees.

#### **(c) Succession plans:**

To establish and review succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

#### **(d) Evaluation of performance:**

(i) To formulate and specify the criteria, framework and the manner for effective evaluation of performance of Board, its committees and individual Directors, to be carried out by the Board and the NRC and review its implementation and compliance.

(ii) Make recommendations to the Board on appropriate performance criteria for the Directors.

## **PART - B**

### **Appointment and removal of Directors, KMP and Senior Management:**

#### **Appointment criteria and qualifications**

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment.
2. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
3. The appointment shall also be governed by the prevailing employment policies of the Company
4. 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 a director in any company subject to the same being intimated to the Board or being in accordance with the policy of the Company.
5. In case of an Independent Director, the proposed appointee should possess the desired attributes and should not suffer from any disqualifications as prescribed under Section 149(6) read with the relevant rules.
6. In terms of Section 196 (3) (a) of the Companies Act, 2013, the Company shall not appoint or continue the employment of any person as Managing Director / wholetime director / Manager, who has attained the age of seventy years, unless a special resolution is passed to that effect.
7. Further, as per clause 17 (1) (A) of SEBI (LODR), 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

#### **Term/Tenure:**

##### **i. Managing Director/Whole-time Director:**

The Company may appoint or re-appoint a person as its Executive Chairman, 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 hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term up to five consecutive years. No Independent Director shall hold office for more than two consecutive terms. The terms and conditions of appointment will be as prescribed from time to time under the Companies Act, 2013.

**iii. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder or for such other compelling reasons, the Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director, KMP or Senior Management Personnel subject to the provisions and compliance to the Act, Rules and Regulations and applicable policies of the Company.

**iv. Retirement:**

The Independent Directors shall not be liable to retire by rotation. The other Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and prevailing policies of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP or other Senior Management Personnel in the same position/remuneration or otherwise, for the benefit of the Company.

**PART - C**

**Remuneration for the Directors, KMP and other employees:**

Key principles, governing the remuneration policy, to be considered, are as follows:

- a. 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;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to Directors, KMP 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.
- d. Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
- e. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- f. Overall remuneration practices should be consistent with recognised best practices.

**Sitting Fees:**

Independent Directors may be paid sitting fees for attending the meetings of the Board and committees, as recommended by the NRC and approved by the Board. Quantum of sitting fees may be subject to review on a periodic basis, as required.

**Commission:**

Independent Directors may be paid commission within regulatory limits, as recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

**Other payments:**

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred, while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred for attending Board/Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

**Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

**Premium on Insurance policy for the Directors, KMP and other employees:**

Where any insurance is taken by the Company, the premium paid on such insurance shall not be treated as part of the remuneration.

Where any insurance is taken by the Company on behalf of its MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Policy implementation**

The NRC is responsible for recommending the Nomination and Remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the policy.

**Review of the Policy**

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

**Applicability to subsidiaries**

This Policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary companies.

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