

NOMINATION AND REMUNERATION POLICY

PREAMBLE

The Nomination and Remuneration policy is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws, the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

1. OBJECTIVE AND PURPOSE

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 recommend to the Board of Directors of the Company (the "Board"), policies relating to the remuneration 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 determine the qualifications, positive attributes and independence of the Board and to ensure Board Diversity.
- d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To devise a Policy on Board Diversity.
- f) To develop a succession plan for the Board and to regularly review the plan.

2. DEFINITIONS

Unless otherwise stated, capitalised terms used in this Policy have the meanings ascribed to them hereunder.

- 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 Directors of the Company.
- d) "Key Managerial Personnel" (as defined in Section 2(51) of the Act) in relation to the Company, means:
 - Chief Executive Officer or the Managing Director or the Manager
 - Company Secretary
 - Whole Time Director
 - Chief Financial Officer
 - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - such other officer as may be prescribed
- e) "senior management" means personnel of the Company who are members of its core management team other than the Board. This would include all members of management one level below the executive directors, including all the functional heads.

3. SCOPE

This Policy shall be applicable to:

- a) Board
- b) Key Managerial Personnel as defined under Section 2(51) of the Act
- c) Senior Managerial Personnel shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this shall comprise of all members of management one level below the Executive Directors, including all functional heads.
- d) Other employees of the Company

4. ROLE OF THE COMMITTEE

The role of the NRC will be the following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- c) To formulate criteria for evaluation of Independent Directors and the Board.
- d) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- e) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- f) To recommend to the Board the appointment and removal of Directors and Senior Management.
- g) To recommend to the Board policy relating to remuneration for Directors and Senior Management.
- h) To devise a policy on Board diversity, composition, size.
- i) Succession planning for replacing Key Executives and overseeing.
- j) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- k) To perform such other functions as may be necessary or appropriate for the performance of its duties.

5. POLICY FOR IDENTIFICATION, APPOINTMENT AND RETIREMENT OF DIRECTORS AND SENIOR MANAGEMENT

A. Appointment criteria for Directors and Senior Management:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
- b) A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- c) The Director and KMPs shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.

- d) Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder the Act and SEBI Listing Regulations (as amended from time to time).
- e) On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.
- f) 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 a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

B. Term / Tenure of appointment for Directors and Senior Management:

i. Managing Director/Whole-time Director:

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

ii. Independent Director:

- a) 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.
- b) No Independent Director shall hold office for more than two consecutive terms, 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.
- c) At the time of appointment of Independent Director it should be ensured that 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 of a listed company or such other number as may be prescribed under the Act.

iii. Senior Management:

In case of Senior Management (excluding KMPs at Board Level, term/tenure of appointment will be as per Company Rules and policy framework.

C. Retirement and Removal of Directors and Senior Management:

- a) The Director shall retire as per the applicable provisions of the Act.

- b) Should the Board decide, it will have the discretion to retain the Director in the same position/ remuneration or otherwise even after attaining the retirement age, in the interest of the Company subject to necessary approvals under the applicable laws, if any.
- c) Due to reasons for any disqualification mentioned in the Act or the Rules made thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.
- d) Extension of the term of appointment of a KMP (excluding those at Board level) and any Senior Management Personnel beyond his/her retirement age will be decided by the Managing Director.
- e) The proposal for removal of any KMP shall be put forth by the Committee to the Board for approval. Removal of Senior Management Personnel (excluding KMPs) will be in line with the provisions of the terms of appointment and will be decided by the Managing Director.

6. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT EMPLOYEES

General:

- a) The Committee shall 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;
- b) It shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Directors shall be recommended by the Committee to the Board for approval of such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.
- d) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.

Remuneration to Managing Director/Whole- time Directors:

The remuneration for the Managing Director/ Whole-time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

Remuneration to Non- Executive & Independent Directors:

Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such

amount as may be prescribed by the Central Government from time to time.

Remuneration/ 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 Act

An Independent Director shall not be entitled to any stock option of the Company

Remuneration to KMP and Senior Management employees:

As mentioned earlier, the remuneration as approved by the Board of Directors shall be payable to KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.

7. EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The evaluation of independent directors shall be done by the entire Board of Directors which shall include

- (a) performance of the directors; and
- (b) fulfilment of the independence criteria as specified in these regulations and their Independence from the management: Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

8. DISCLOSURE OF THE POLICY

The Remuneration Policy and the Evaluation Criteria of the Committee shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

9. FREQUENCY OF MEETINGS

The meetings of the Committee shall be held at least once in a year.

10. QUORUM

The quorum for a meeting of the nomination and remuneration committee shall be either 2 members or one third of the members of the committee, whichever is greater, including at least 1 independent director in attendance.

11. CHAIRMAN

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 meeting may be present at the Annual General Meeting, to answer the Members queries. However, it would be up to the Chairman to decide who shall answer the queries.

12. SECRETARY

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

13. MINUTES OF THE COMMITTEE MEETING

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

14. AMENDMENT:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

