

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and the Rules made thereunder.

The Key Objectives of the Committee would be :

1. To guide / recommend to the Board appointment and removal of Directors, KMP and Senior Management of the Company.
2. To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel (KMP) and Senior Management.
3. To evaluate the performance of every member of the Board / KMP / member of Senior Management and provide necessary report to the Board for their further performance evaluation by the Board.
4. To recommend reward(s) payable to the KMP and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To do such other acts / deeds as may be prescribed by the Central Government.

DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Committee**” or “**NRC**” means the Nomination and Remuneration Committee of the Board constituted in accordance with the provisions of section 178 of the Companies Act, 2013 and SEBI (Listing obligations and Disclosures Requirements) Regulation, 2015.

“**Directors**” mean Directors of the Company.

“**Key Managerial Personnel**” (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager;
2. Whole-time director;
3. Chief Financial Officer;
4. Company Secretary;

“**Senior Management**” mean personnel of the Company who are members of its core management team being one level below the Board.

OBJECTIVE & FUNCTIONS OF NRC

The primary function of the Nomination and Remuneration Committee (NRC) is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation. It will also provide support in handling the nomination and remuneration proposals for the Board members including Independent Directors. The constitution of NRC and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and the Rules made thereunder.

The Key Objectives of NRC would be:

1. To guide and assist the Board in the matters of appointment and removal of Directors, KMP and Senior Management of the Company. NRC shall identify suitable candidates as members of the Board in accordance with defined criteria as laid down before the Committee.
2. To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel (KMP) and Senior Management. In making such proposal, NRC will consider and is bound by statutory requirements, longer interests of the Company and its shareholders and such other factors as it deems appropriate. It is to be ensured that no member is involved in deciding upon his/her own compensation.
3. To evaluate the performance of every member of the Board / KMP / member of Senior Management and provide necessary report to the Board for their further performance evaluation by the Board. The objective is that NRC shall monitor and review Board Evaluation Framework, conduct an assessment of the performance of the Board, the Independent directors, each Board committee and the Chair of the Board against criteria as determined and approved by NRC. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, on the basis of recommendations of NRC (excluding the director being evaluated).
4. To recommend reward(s) payable to Board / KMP / member of Senior Management, which shall be linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To formulate and recommend to the Board, policies / incentives etc. to attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. The Committee shall also review terminations / replacements/ severance of employments of Key Managerial Personnel and Senior Management persons.
7. The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for Key Managerial Personnel and all senior management persons.
8. The Committee is also responsible to formulate the Section 178(4) criteria relating to remuneration of other employees of the Company and devise a policy on the same for recommendation to the Board.
9. To do such other acts / deeds as may be prescribed by the Central Government or delegated by Board from time to time

While deciding about the recommendation of a person for the appointment NRC shall consider the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management level and recommend to the Board his / her appointment and while doing so, take note of the following:-
 - a. The person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide

whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

- b. The Company shall not appoint or employ at the same time a managing director and a manager.
- c. The Company shall not appoint or continue the employment of any person as Managing Director / Manager / Whole-time Director who is below the age of twenty one years or has attained the age of seventy years.

Provided that the appointment of a person who has attained the age of seventy years or term of such person holding this position may be extended 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.

- d. At the time of appointment of a Director it should be ensured that number of Boards on which such Director serves as a Director, including an alternate directorship, is restricted to twenty companies (including not more than ten public companies).
- e. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

Subject to the provision of the Companies Act, any vacancy in the office of independent director shall be filled by appointment of a new independent director within a period of not more than 180 days.

NRC to ensure that while discharging their functions the provisions of the Companies Act, 2013 and Rules made thereunder, including the following shall be complied with –

Term / Tenure of Managing Director / Whole-time Director / Manager:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time.

Independent Director:

1. An Independent Director shall hold office for a term up to five consecutive years 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.
2. 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.

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.

Removal

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

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, if necessary for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:

General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to a Managerial Personnel shall be in accordance with the percentage/slabs/ conditions laid down in the Act.

Where any insurance policy is taken by the Company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

The Whole-time / Managing Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorized by the Board on the recommendation of the Committee

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director / Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government, if required.

Remuneration to Non- Executive / Independent Director

1. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Provided further that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

2. Stock Options:

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

3. Re-imbusement of expenses:

An Independent Director may receive reimbursement of expenses for participation in the Board and other meetings of the Company. Policy relating to the loans / advances to employees of the Company Loans / advances to the employees shall be granted in accordance with their conditions of service and shall be as per the prevailing policy of the Company.

NRC MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required and as statutorily required under the provisions of Companies Act, 2013 and Rules made there under and as per the applicable law, if any, for the time being.

The quorum for the Committee meeting shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

COMMITTEE MEMBERS' INTERESTS

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

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.

COMPANY SECRETARY AND MINUTES OF COMMITTEE MEETING

The Company Secretary shall act as the secretary for Committee meetings. Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

REVIEW / AMENDMENT

The Board of Directors can amend this Policy, as and when deem fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.”