



NOMINATION AND REMUNERATION POLICY

1. **PREAMBLE:**

This Nomination and Remuneration policy (“**Policy**”) has been formulated by the Company’s Nomination and Remuneration Committee (“**Committee**”) and approved by the Board of Directors in terms of the relevant provisions of the Companies Act, 2013 (“**the Act**”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulation**”).

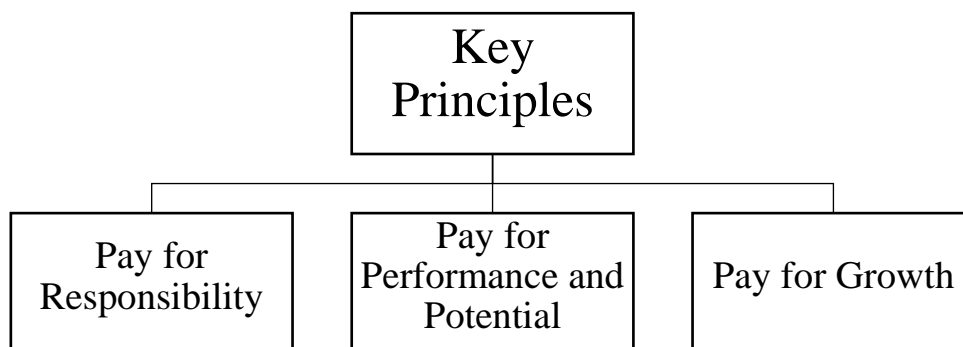
2. **OBJECTIVE AND PRINCIPLES OF THE POLICY:**

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

The Key Objectives of this Policy are:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. 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.

Key Principles of the Remuneration Policy:



3. **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:



- i. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- ii. To formulate criteria for evaluation of Independent Directors and the Board.
- iii. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- iv. To carry out evaluation of Director's performance.
- v. To recommend to the Board the appointment and removal of Directors and Senior Management
- vi. To adopt best practices to attract and retain talent by the Company and to ensure long term sustainability of talented managerial personnel and create competitive advantage;
- vii. To recommend to the Board relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- viii. Succession planning for replacing Key Executives and overseeing.
- ix. 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.
- x. To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. APPLICABILITY:

This Policy is Applicable to:

- i. Directors (Executive, Non-Executive and Independent);
- ii. Key Managerial Personnel;
- iii. Senior Management Personnel;
- iv. Other employees as may be decided by the Nomination and Remuneration Committee and Board from time to time.

5. APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL 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 at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as non-executive director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.



6. 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 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 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 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONEL:

Remuneration to Managing Director / Whole-time Directors:

- a) The Company pays remuneration by way of salary, benefits, perquisites, allowances, etc. to its Managing Director or the Executive Director which is governed by provisions of the Act, rules made there and Listing Regulations and as approved by the Board and / or the Members of the Company, as applicable from time to time.
- b) The Committee of the Board determines and recommends to the Board the remuneration to be paid to its Managing Director or Executive Director after taking into consideration the remuneration paid by comparable organization. Annual increments are decided by Committee within the scale of remuneration as permitted pursuant to the provisions of the Act or any other law applicable or as approved by the Members of the Company from time to time.

Criteria of making payments to Non-Executive Directors:



The criteria of making payments to Non-Executive Directors cover, *inter-alia*, number of meetings attended, Chairmanship of Committees of the Board, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels.

Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act) shall be subject to ceiling/ limits as provided under the Act, rules made there and Listing Regulations or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board and / or the Members of the Company, as applicable from time to time.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be



decided annually or at such intervals as may be considered appropriate.

8. EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary as per the provisions of the Act and Listing Regulations.

9. REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

10. RETIREMENT:

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