

## NOMINATION AND REMUNERATION POLICY

(Amended version as approved by the Board of Directors of the Company on February 14, 2022)

### 1. PREAMBLE:

In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on 24<sup>th</sup> July, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

The purpose of the Nomination and Remuneration Committee (the "committee") of the Board of Directors (the "Board") is to assist the Board in discharging its responsibilities relating to compensation of the Company's executive directors and other senior level employees. The committee has the overall responsibility of approving and evaluating the adequacy of the compensation plans, policies, programs and succession plans for Company's Executive Directors and senior employees including KMPs.

### 2. POLICY OBJECTIVES:

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (the "Rules") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including any Statutory Modification or Re-enactment thereof for the time being in force).

The Key Objectives of the Committee and its Policies are to lay down criteria, terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration, to carry out evaluation of the performance of Directors, Key Managerial and Senior Management Personnel, to retain, motivate and promote talent to ensure long term sustainability of talented managerial persons and create competitive advantage etc.

### 3. DEFINITIONS:

- a. **Key Managerial Personnel:** Key Managerial Personnel means personnel as defined in Section 2(51) of the Companies Act, 2013 and Regulation 2(o) of the SEBI Listing Regulations including any amendment or modification thereof, as may be applicable from time to time.
- b. **Senior Management:** Senior Management means personnel of the company as defined in Regulation 16(1)(d) of the SEBI Listing Regulations or any other law or regulation including any amendment or modification thereof, as may be applicable from time to time.

### 4. APPLICABILITY:

The Policy is applicable to:

- a. Directors (Executive and Non-Executive)
- b. Key Managerial Personnel
- c. Senior Management Personnel

## 5. ROLE AND RESPONSIBILITIES OF THE COMMITTEE:

The Role of the Committee shall be, inter alia, the following:

- a. To identify and review appointment of directors, senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

### Explanation:

For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
- b. To carry out evaluation of every director's performance.
  - c. To formulate the criterion for determining qualifications, positive attributes and independence of a director;
  - d. To recommend to the Board a policy, relating to the remuneration for the directors including the Executive and Managing Director, key managerial personnel and other employees.
  - e. To formulate criteria for evaluation of performance of independent directors and the board of directors
  - f. To consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
  - g. To devise a policy on diversity of Board of Directors
  - h. To determine the remuneration to be paid to the Directors rendering professional services to the company in any other capacity
  - i. To recommend to the Board, all remuneration, in whatever form, payable to senior management
  - j. To review such other matters as the Committee may deem fit;
  - k. any other function as may be delegated or assigned by the Board from time to time.

**Note:**

Words and expressions used and not defined herein shall have the same meanings respectively assigned to them in the Act and the Rules.

**6. TERM / TENURE:**

**a. 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.

**b. INDEPENDENT DIRECTOR:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company. The appointment, re-appointment or removal of an Independent Director of the Company shall be subject to the approval of shareholders by way of special resolution and disclosure of such appointment in the Board's report.

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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1<sup>st</sup> October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it shall 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.

**7. EVALUATION:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly). The Committee may take in to the consideration the following criterion while evaluating performance of Directors:

- a. the attendance of meetings;
- b. the number of committees and their roles;
- c. willingness to spend time and effort learning about the Company and its business;
- d. the flow of information to board members and between board members
- e. the quality and quantity of information at the meetings;

- f. relationship with other board members, the Company Secretary and senior management;
- g. the collective performance of the board/committee as a team;
- h. individual performance and contribution;
- i. contribution to the development of Strategy and risk management;
- j. participation in events outside board meetings such as site visits;
- k. updation of skills and knowledge;
- l. executive directors performance shall be assessed as per their job description;

**Note:**

The list given above is not an exhaustive one or definitive and the Committee may design their own CRITERION depending upon the approach of the Company and having regard to the particular circumstances.

**8. REMOVAL:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, 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 said Act, rules and regulations.

**9. RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 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.

**10. REMUNERATION:**

The Committee shall take into consideration the following points while determining the remuneration:

- a. financial position of the Company;
- b. 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;
- c. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- d. 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;
- e. A brief guideline for determining the remuneration is as follows:

- i. Consider relevant experience, number of years in industry, past performance, past remuneration of the candidate;
- ii. Consider the qualification, skills and expertise that candidate possess.
- iii. Determine the employment contract and terms and conditions of services of the candidate.
- iv. Determine annual salary and performance related pay and while determining emolument the following key factors shall be considered:
  - a. Emolument will be a major driver of performance;
  - b. Emolument will be competitive and benchmarked with a selected group of companies from the business sector in which the Company operates;
  - c. Emolument will be transparent, fair and simple to administer.
- v. Determine annual salary and performance related pay of such candidate with market related trends.
- vi. To deal with such other relevant remuneration and performance pay matters as may be required.
- vii. To report to Board its determinations taken under Delegated Powers.

## 11. REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

### A. FIXED PAY:

The Whole-time 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 break-up 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 on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### B. 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 Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

### C. PROVISIONS FOR EXCESS REMUNERATION:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## 12. CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The criteria of making payment to Non- Executive Directors and Independent Directors of the Company are as follows:

- a. Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.
- b. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination & Remuneration Committee and approved by the Board of the Company.
- c. 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).
- d. The aggregate commission payable to all the NEDs and IDs will be recommended by the Nomination & Remuneration Committee to the Board based on Company's growth, performance, profits, and any other significant qualitative parameters as may be decided by the Board of the Company from time to time.
- e. In addition to the sitting fees and commission, the Company may pay and/or reimburse to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/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.

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