

## **NOMINATION & REMUNERATION POLICY**

### **1. Definitions**

- i) **Key Managerial Personnel (KMP)** means –
  - a) Managing Director, or Chief Executive Officer or Manager
  - b) Company Secretary,
  - c) Whole Time Director (WTD),
  - d) Chief Financial Officer (CFO), and
  - e) Such other officer as may be prescribed
- ii) **Senior Management Personnel (SMP)** of the company are the members of its core management team, excluding Board members, and comprising of members of management one level below the Board, being the functional heads.

### **2.1 Appointment & Removal of Directors**

- i) The members of the Board shall be of high integrity and have the expertise and experience to ensure that Board takes appropriate decisions in the best interest of the company. The composition of the Board shall be made considering diverse functions in the fields of Marketing, Manufacturing, Finance, Legal, Governance and General Management.
- ii) The Nomination & Remuneration (N&R) Committee shall consider following attributes/criteria while recommending appointment of any person as Director to the Board -
  - a) Integrity, qualification, expertise, experience and insights in the industry of the member to contribute to company's vision/ growth
  - b) Personal, Professional or business standing
  - c) Maintain diversity of the Board to supplement skills in relation to other Board members.
- iii) In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

Appointment of Independent Directors as prescribed under the Companies Act would be complied with.
- iv) In case of re-appointment of Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement in Board level and contribution to the operations of the company.

- v) In case a Director need to be removed, in terms of the provisions of the Companies Act, 2013 and the rules made thereunder or any other applicable provisions or for any other reasons in the best interest of the company, the N&R Committee may recommend removal of such Director to the Board with reasons recorded in writing.

## 2.2 **Appointment & Removal of Key Managerial Personnel (Other than Managing Director and Whole Time Director) and Senior Management Personnel**

- i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as KMP (other than Managing Director and WTD) or SMP and recommend his/her appointment to the Audit Committee/Board, as the case may be.
- ii) In case a KMP/SMP need to be removed, in terms of the provisions of the Companies Act, 2013 and the rules made thereunder or for any other reasons in the best interest of the company, the N&R Committee may recommend removal of such KMP/SMP to the Board with reasons recorded in writing.
- iii) KMP or SMP shall retire as per the prevailing policy of the Company. The Chairman of the Board may, if considered necessary, consult the members of N&R Committee and could retain them in the same position/remuneration or otherwise, even after attaining the retirement age, in the best interest of the company.

## 3. **Remuneration**

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs, SMPs and employees at all levels. It shall be determined taking into account the factors such as company's performance and the remuneration structure as generally applicable in the industry (including similar industries/region).

### 3.1 **Remuneration to Non-Executive Directors**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings and commission as detailed here under:-

- i) Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act/Rules.
- ii) In addition to the above, Non Executive Directors shall be entitled to commission on annual basis, within the limits as applicable under the Companies Act and the same shall be approved by the members of the Company.

The limit as currently applicable under the Companies Act is 1% of the net profits of the company and this shall be distributed between Non-Executive Directors as determined by the Board from time to time.

- iii) In addition to the remuneration as given under Item (i) and (ii) above, the Non-Executive Directors shall also be eligible for reimbursement of expenses in discharging such other additional functions/responsibilities which may be assigned to them. Reimbursement of above expenses shall not be treated as remuneration.

### 3.2 **Remuneration to Managing Director/Wholetime Directors**

- i) The remuneration/commission to be paid to Managing Director/ Wholetime Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and the same shall be approved by the members of the company.
- ii) The N&R Committee shall while recommending appointment also recommend the remuneration structure applicable to Managing Director/Wholetime Directors, keeping in view the qualifications, experience and the remuneration structure as applicable in the industry.

The remuneration structure would maintain a balance between fixed pay and profit linked commission reflecting long term and short term objectives appropriate to the company's working and its goals.

- iii) Revision in salary within the Remuneration Structure/Pay Scale shall be approved by the N&R Committee.

### 3.3 **Remuneration to Key Managerial Personnel (other than Managing Director & CEO and WTD) and Senior Management Personnel**

The remuneration to Key Managerial Personnel (other than Managing Director & CEO and WTD) and Senior Management Personnel shall consist of fixed pay and profit linked incentive scheme considering their qualification and experience.

The Chairman of the company, in consultation with the members of N&R Committee, as considered necessary, shall finalise the structure of remuneration applicable to Key Management Personnel (other than Managing Director & CEO and WTD) and Senior Management Personnel.

### 3.4 **Remuneration to other Employees**

Remuneration to other employees shall be based on their qualification, competency and the roles and responsibilities in the company.

The remuneration structure for other levels of employees in the company shall be finalised by the Chairman or senior executives as may be delegated by the Chairman, as per Company policy/regulations.