

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

Pursuant to the Section 178 of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with Rule 6 of the Companies (Meeting of the Board and its Powers) Rules, 2014, and the Listing Agreement signed by the Company with the Stock Exchanges, the Nomination and Remuneration Committee of the Board of the Company has formulated a Nomination and Remuneration policy to decide the criteria for appointment and remuneration to the Directors, Key Managerial Personnel, and other employees.

Produced here below is the “Nomination and Remuneration Policy” of the Company in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Agreement for the object as mentioned herein.

The Policy also aims to attract, motivate and retain manpower in a competitive and global markets scenario. This revised policy has been amended with the approval of the Board of Directors on 09th August, 2018 and shall be effective from the same date.

OBJECTIVE

The objective of the policy is:

1. To ensure that Whole-Time Directors, Key Managerial Personnel and Senior Executives of high caliber are attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.
3. To evaluate the performance of the Board as a whole, Committees of the Board, individual Directors and Key Managerial Personnel and Senior Executives of the Company pursuant to Section 178 (2) of the Companies Act, 2013.
4. To recommend to the Board on remuneration payable to the Whole-Time Directors, Key Managerial Personnel and Senior Executives.
5. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Whole-Time Directors, Key Managerial Personnel and Senior Executives.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- i. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations

on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board.

- ii. Recommending to the Board on the selection of individuals nominated for Directorship.
- iii. Making recommendations to the Board on the remuneration payable to the Directors.
- iv. Assessing the independence of Independent Directors.
- v. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provisions of the Companies Act, 2013 and Rules thereunder.
- vi. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To devise a policy on Board diversity.

The Chairman & Whole-Time Director jointly shall be responsible to assess requirement, performance and remuneration in respect of Key Managerial Personnel i.e., Chief Financial Officer & Company Secretary and the Senior Management of the Company in terms of criteria laid down under the policy by the Committee.

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

- a) The Committee shall consist of a minimum of 3 directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall continue unless terminated by the Board of Directors.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEMBERS' INTERESTS

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

VOTING

- a) Matters arising for determination at the Committee Meetings shall be decided by a majority of votes of the Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

REMUNERATION CRITERIA

For the Whole-Time Directors/Executive Directors:

Nomination and Remuneration Committee shall recommend to the Board, the remuneration, within the maximum limits as set under the Companies Act, 2013, and Rules made thereunder and subject to the approval of the shareholders as and where applicable.

The Company shall pay the remuneration by way of salary, perquisites, allowances and commission (both fixed and variable component) to its Whole-Time Directors and Senior Executives. Perquisites and retirement benefits are paid according to the Company policy and applicable laws and regulations as applicable to senior executives.

For the Independent Non-Executive Directors:

An Independent Non-Executive Director shall receive sitting fees for attending the meeting of the Board and Board Committees. The sitting fees paid to the Independent Non-Executive Directors is determined periodically & reviewed based on industry benchmarks. Independent Non-Executive Directors are appointed for their professional expertise and skills in their individual capacity as independent professionals.

For the Key Managerial Personnel and Other Employees:

The remuneration of other KMP and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.

They are also entitled to customary non-monetary benefits such as company car, company health care, telephone & accommodation on case-to-case basis. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, and the performance of each employee. The Company, while deciding the remuneration package, takes into consideration the current employment scenario and remuneration packages prevalent in the industry and its peer group.

EVALUATION PROCESS**Evaluation of the Board and its Committees:**

The Board or Nomination and Remuneration Committee shall annually evaluate the performance of the Board and its Committees based on the structure, composition, attendance, participation, and contribution toward the Company's strategy and governance.

Evaluation of Individual Directors:

Each Director's performance shall be assessed on the basis of their attendance, preparedness, engagement in discussions, understanding of the Company's operations, compliance with duties, and contribution to strategic decision-making.

Evaluation of Whole-Time / Executive Directors:

Executive Directors shall be evaluated based on pre-defined key performance indicators (KPIs) such as business results, operational efficiency, leadership effectiveness, compliance, and alignment with the strategic direction of the Company.

Evaluation of Key Managerial Personnel and Senior Management:

The Chairman and Whole-Time Director shall jointly evaluate the performance of KMPs and Senior Management in accordance with the criteria set by the Committee. Metrics include achievement of targets, innovation, team development, policy compliance, and business acumen.

Feedback and Review:

The results of evaluations shall be recorded and reviewed by the Committee and shared with the Board. Based on the evaluation, decisions may be made regarding reappointment, development plans, or remuneration changes. The Committee may, at its discretion, appoint external advisors to facilitate an independent evaluation process.

MINUTES OF COMMITTEE MEETING

The proceedings of all meetings must be recorded in the form of Minutes, and these Minutes must be signed by the Chairperson of the Committee at the subsequent Meeting or within one month from the date of the Meeting, whichever is earlier. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

AMENDMENT

This Policy can be modified, amended or substituted at any time by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and the applicable Listing Regulations.