

Nomination and Remuneration Policy

1. Preface

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC” / the “Committee”) and has been approved by the Board of Directors.

2. Applicability

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel (“KMP”), and Senior Management personnel of the Company and performance appraisal of the Directors.

3. Definitions

All terms used in the Policy shall have the same meaning as ascribed to them under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Objective

The objective of the policy is to ensure that

- a. Appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- c. Ensure the remuneration is directly proportional to the effort, performance, dedication and achievement relating to the Company’s operations of the concerned individual.
- d. Evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- e. Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.

5. Role of the Nomination & Remuneration Committee

The role of the Nomination and Remuneration Committee will be the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director
- b. Identify persons who qualify to become Directors and recommend their appointment to the Board, as and when vacancies arise.
- c. Recommend removal of a Director from the Board, in case if such need arises.
- d. Formulation of criteria for evaluation of performance of independent directors and the board of directors.

- e. Carry out evaluation of performance of every Director on an annual basis.
- f. Identify persons who may be appointed as members of senior management.
- g. Formulate policies for qualification, attributes and independence of directors.
- h. To ensure 'fit and proper' status of Directors at the time of their appointment as well as on continuing basis.
- i. Recommend to the Board policy relating to remuneration for directors, key managerial personnel and employees keeping in view to attract, motivate and retain talent required for the progress of the Company.
- j. To determine if the term of appointment of the independent director should be extended or continued, on the basis of the report of performance evaluation of independent directors.
- k. Guide policies and practices in the talent management of the Company.
- l. Formulate, recommend to the Board and administer Employees Stock Option Plans (ESOP) and other incentive plans for employees and directors and interpret and adopt rules for the operation thereof.
- m. Approve employment agreements, severance arrangements and change in control agreements.
- n. To form Sub-committees and take matters as may be assigned by the Board from time to time.
- o. To devise a policy on Board diversity, composition, size.
- p. Succession planning for replacing Key Executives and overseeing.
- q. 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.
- r. To perform such other functions as may be necessary or appropriate for the performance of its duties.

6. Membership of the Committee

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c. Term of the Committee shall be continued unless terminated by the Board of Directors.
- d. Chairman of the Committee shall be an Independent Director.
- e. Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- f. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- g. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. 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 Whole-time 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.

8. 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 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.

9. 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.

10. 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.

11. 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.

12. Criteria for Remuneration

The remuneration shall be based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below. The remuneration mentioned below can be changed by the Board from time to time.

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, ESOP and reimbursement of expenses incurred in performance of office duties	Subject to the ceiling limits prescribed under the Act / approval of Shareholders.
Independent Directors	Sitting Fees in terms of the provisions of the Companies Act, 2013	Sitting Fees are subject to the applicable ceiling limits prescribed under the Act.
Senior Management Personnel / KMP	Basic Pay, allowances, Perquisites, retirement benefits, ESOP reimbursement of expense incurred in performance of office duties.	To be decided by the Managing Director based on appointee.

The Managing Director shall decide about the remuneration of the executives based on the criteria mentioned above, subject to ceiling fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements and the objectives/criteria mentioned above. The following matters shall be brought to the attention of the Committee for evaluation and recommendation.

- a. Remuneration to any person in excess of Rupees Two crores per annum
- b. Appointment / remuneration of Directors, KMPs and senior management personnel.

Amendment

The policy will be amended from time to time by the Board of Directors on the recommendation of the Nomination & Remuneration Committee of the Board. The policy shall be automatically amended with the changes in law.