



NOMINATION AND REMUNERATION POLICY

(Adopted by the Board of Directors in the Meeting held on 18th March 2023)

INTRODUCTION

The Board of Directors at its meeting held on 17th September 2022, had set-up a Remuneration/Compensation Committee for determining the remuneration packages of Executive Directors as also formulating and recommending to the Board, Employees Stock Option Plans for the eligible employees of the Company and its subsidiaries.

PURPOSE

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management

APPLICABILITY

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of the Company.

OBJECTIVES

This policy is framed with the following objectives:

- a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director.
- b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

FUNCTIONS

The Nomination and Remuneration Committee shall, perform the functions as prescribed under the Act and LODR Regulations from time to time. The Chairperson of the Nomination and Remuneration Committee or in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the company. Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

CONSTITUTION

The Committee shall consist of at least three directors, all of whom shall be non-executive directors and at least half shall be independent. The Chairman of the committee shall be an Independent Director. The members of the Committee shall be appointed by the Board of Directors. The Board has the power to constitute/reconstitute the Committee consistent with the Company's policy and applicable law/regulations.

MEETINGS

The Committee will meet as often as it considers necessary, in person and/or telephonically and/or video conferencing or by other audio-visual means. Any member may call a meeting of the Committee. All meetings of the Committee shall be presided over by the Chairman of the Committee. Other Directors, employees or such persons as may be deemed appropriate by the Chairman/Member(s) of the Committee may be invited to attend the meeting(s).

QUORUM

The quorum for meetings of the Committee shall be one third of total strength or two members whichever is higher. However, one independent director shall be present to constitute the quorum. The participation of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

MINUTES

The Committee shall maintain written minutes of its meetings, including any formal discussions and taking on record any action taken by written consent, which shall be presented to the Board and shall be part of minutes of the Board Meeting.

GUIDELINES FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

1. The Committee shall identify and determine the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess requisite qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a candidate are adequate for the concerned proposed position.
3. The Company shall not appoint or continue the employment of any person as Wholetime Director or Independent Director who has attained the age of seventy or seventy five years respectively. Provided that the term of the person holding the aforesaid position may be extended beyond the age mentioned herein above with the approval of shareholders by passing a special resolution and compliance of applicable provisions of law/regulations.

Term / Tenure:

- I. Managing Director/Whole-time Director: The Company shall appoint/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.
- II. 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 for another term of five years on passing of a special resolution by the members of the Company, subject to the compliance of applicable law/regulations/ Listing Regulations etc.

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 1st 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 a term of five years only.

A person may be appointed as an Independent Director, only if the proposed appointment is within the limits prescribed under law/regulations/ Listing Regulations to act as an Independent Director by such person in any listed Company including the Company.

- III. Evaluation: The Committee shall carry out need based evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals/as per Human Resources (HR) policy of the Company.
- IV. Removal: The Committee, if think fit, may recommend removal of a Director, KMP or Senior Management Personnel to the Board with reasons recorded in writing due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, Company policy, subject to the provisions and compliance of the said Act, rules and regulations, Company policy.
- V. Retirement: A Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013/Listing Regulations and the extant 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, subject to the recommendation of the Committee.

GUIDELINES RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

General:

The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the terms of appointment and/or prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to Whole-time Director(s) shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company/terms of appointment approved by the Board or shareholders, as the case may be and as per the provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders/ central government in the case of Whole-time Director. Increments will be effective as per the terms of appointment or 1st April as the case may be, subject to compliance of applicable law/regulations, HR policy of the Company.

In compliance with the Listing Regulations, the Company shall undertake Directors and Officers insurance for all its independent directors. The premium paid on Directors and Officers insurance by the Company on behalf of its Whole-time Director, Independent Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed & Incentive 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, subject to compliance of applicable law/regulations and in accordance with Company's HR Policies. The breakup of the Annual fixed pay and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses 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.

2. 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.

3. 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 excess remuneration to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sums refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees of such amount as may be approved by the Board from time to time for attending meetings of Board or Committee thereof. Provided that the amount of such sitting fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit prescribed under the provisions of the Companies Act, 2013. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

DISCLOSURE:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

AMENDMENTS

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including LODR Regulations.
