

NOMINATION AND REMUNERATION POLICY

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 SEBI (LODR) Regulations and the same has been reviewed and revised in its Board Meeting held on 10.11.2023

The Nomination and Remuneration Policy (“**the Policy**”) applies to the core management team of the Company, that is:

- i.** The Board of Directors (“**Board**”);
- ii.** The Key Managerial Personnel (“**KMP**”); and
- iii.** The Senior Management personnel - employees of grade Vice President & above, who are otherwise, not covered at ‘**i**’ and ‘**ii**’, above.

OBJECTIVE

The Nomination and Remuneration Committee shall act in accordance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and Regulation 19 of the Listing Regulations. The Key Objectives of the Committee shall be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity.
- 1.7. To develop a succession plan for the Board and for the Senior Management and to regularly review the plan;
- 1.8. To ensure the policy includes the following guiding principles:
 - 1.8.1. 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.
 - 1.8.2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - 1.8.3. 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.

ROLE OF THE COMMITTEE

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.

- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

DUTIES OF THE COMMITTEE

The duties of the Committee in relation to remuneration matters include:

- To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- To consider any other matters as may be requested by the Board.
- Professional indemnity and liability insurance for Directors and senior management.

REVIEW AND INTERPRETATION

This Policy may be reviewed, amended or substituted by the Board on the recommendation of the Committee as and when required and where there are any statutory changes necessitating any change in the Policy. Any subsequent notifications, circulars, guidelines or amendments under the Act and the Listing Regulations as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this Policy.

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

1. Appointment criteria and Qualifications

- 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 to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned

position.

- c) The Company shall not appoint or continue the employment of any person as a Whole-time Director who has attained the age of seventy years.
- d) A person shall be considered for appointment as an Independent Director on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

2. Term / Tenure

1. Managing Director/Whole-time Director:

The Company shall/may appoint or re-appoint any person as its Executive Chairman, Managing 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.

2. 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 as an Independent Director 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, 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.
- At the time of appointment of Independent Director it should 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 or such other number as may be prescribed under the Act and the Listing Regulations.

3. Non-Independent Director

A person after cessation as an Independent Director may be appointed as a Non-Executive Non-Independent Director on the Board, provided that the period already served as an Independent Director, immediately prior to the appointment as a Non-Executive Non-Independent Director, taken together with the period of office as a Non-Executive Non-Independent Director shall not exceed ten years. Such person shall not be eligible for appointment as an Independent Director unless he / she meets the conditions of independence in terms of the Act and the Listing Regulations and a period of three years has lapsed from the date of cessation as a Non-Executive Non-Independent Director during which he / she was not appointed in or was associated with the Company, in any other capacity, either directly or indirectly.

4. Evaluation

The Committee shall advise the process to carry out evaluation of performance of every Director, KMP and Senior Management Personnel and other employees at regular interval (yearly). Evaluation process shall be conducted for the Board as a whole, Board Committees and also for the Directors individually.

Performance evaluation of the KMPs, Senior Management Personnel and other employees shall be carried out by their respective reporting Executives and Functional Heads, based on the Key Results Area (KRA) set at the beginning of the financial year and reviewed at least once during the year to modify such KRAs, if required.

Performance evaluation of the Independent Directors shall be carried out by the entire Board, except the Independent Directors being evaluated.

5. Removal

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

6. 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, subject to compliance of all applicable legislations.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. Non-Executive Directors (NEDs)

Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, Listing Regulation or other applicable law or for any other purpose whatsoever as may be decided by the Board. Non-Executive Directors may receive remuneration by way of sitting fee as decided by the Board of Directors for every meeting of the Board or Committee attended by them.

The Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

Commission on Net Profits of the Company may be paid to the Non-Executive/Independent Directors within the monetary limit approved by the Shareholders of the Company as per the Act and Rules framed therein and as approved by the Board of Directors from time to time.

2. Managing Director and Key Managerial Personnel

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. Remuneration of other employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments is applicable to this category of personnel as in the case of those in the management cadre.

4. Criteria for determining remuneration

While determining remuneration of the directors, the Committee shall ensure that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate such directors of the quality required to run the Company successfully; the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and the 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 goal.

5. Reimbursement of actual expenses incurred

The Non-Executive Directors are also entitled to reimbursement of expenses incurred for attending Shareholders' Meetings, Board & Committee Meetings, Participation in Familiarization programs, induction and training programs organized by the Company and reimbursement of other out-of-pocket expenses incurred on actual basis in connection with the Company.

MEMBERSHIP

- The composition of the Committee shall be in compliance with the provisions of the Act, and the Listing Regulations.
- The Committee shall comprise of at least three Non-Executive Directors out of which at least fifty percent of the directors shall be Independent Directors.
- Minimum 2 members or one third members, whichever is greater, out of which at least 1 Independent Director shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

- Chairperson of the Committee shall be an Independent Director.

- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairperson 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.

COMMITTEE MEMBERS' INTERESTS

- 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.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

MINUTES OF COMMITTEE MEETINGS

Proceedings of all meetings must be signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

The Company reserves the right to modify the aforesaid Policy as and when required to adopt the best practices in the Industry and to comply with the requirements of the applicable legislations.
