

Nominations And Remuneration Policy

Version 2.0

“The Document provides an overview of practices followed by the Company in respect of guidelines on compensation of Directors, Key Managerial Personnel and Senior Management.”

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Version Control

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1.0	First Version	November 2022	Compliance and Secretarial Department
2.0	Second Version	January 2024	Compliance and Secretarial Department

I. Appointment and removal of Directors, Key Managerial Personnel and Senior Management:

1. Appointment Criteria and Qualifications:

a) A person being appointed as Director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment.

b) Independent Director:

(i) Qualifications of Independent Director:

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

(ii) Positive attributes of Independent Directors:

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

2. Removal:

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

3. 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.

II. Remuneration:

1. Directors:

a. **Executive Directors (Managing Director, Manager or Whole Time Director):**

- (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (within the overall limits prescribed under the Companies Act, 2013).
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- (iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short-term and long- term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
 - the relationship of remuneration and performance benchmark;
 - balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - responsibility required to be shouldered , the industry benchmarks and the current trends;
 - The Company's performance vis-à-vis the annual budget achievement and individual performance.

b. **Non-Executive Director:**

- (i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. The same shall be subject approval of the Board.
- (ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board.
- (iii) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- (iv) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.

2. KMP & Senior Managerial Personnel:

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

- a. Maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- b. Compensation should be reasonable and sufficient to attract, retain and motivate KMP and Senior Management;
- c. Remuneration payable should comprise a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the Company;
- d. Remuneration shall be also considered in the form of long -term incentive plans for key employees, based on their contribution, position, and length of service, in the nature of ESOPS.