



**NOMINATION & REMUNERATION  
COMMITTEE POLICY**

## **NOMINATION & REMUNERATION COMMITTEE POLICY**

### **1. PURPOSE**

The Nomination and Remuneration Committee (“the Committee” or “NRC”) constituted under Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (“SEBI LODR”) shall assist the Board in fulfilling its responsibilities in relation to identifying, assessing and nominating for appointment of Directors, Senior Management and recommend their compensation.

### **2. DEFINITIONS**

- a. ‘Board’ means Board of Directors of the Company;
- b. ‘Committee’ means the Nomination and Remuneration Committee;
- c. ‘Directors’ means directors of the Company;
- d. ‘Independent Director’ means an Independent Director referred under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and other applicable provisions, if any, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof);
- e. ‘Key Managerial Personnel (KMP)’ means a Key Managerial Personnel referred to in Section 203 or any other applicable provisions, if any, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof);
- f. ‘Senior Management’ for the purpose of this policy shall have the same meaning as assigned to it under Regulation 16(1)(d) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, and other applicable laws as may be amended from time to time and any amendment(s), clarification(s), circular(s), notification(s) etc issued in this regard.

Words and expressions used and not defined in this Policy but defined in the Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

### **3. POWERS**

- a. The NRC is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties and all employees must comply with such requests.

- b. In connection with its duties, the NRC is empowered to select, set the terms of reference and appoint such consultants or other advisers as the NRC considers necessary or appropriate.

#### **4. ROLES & RESPONSIBILITIES**

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Senior Management and other employees;
- b. For every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC may use the services of an external agencies, if required; consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates;

- c. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- d. Devising a policy on diversity of Board of Directors;
- e. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- f. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- g. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

#### **5. CRITERIA FOR SELECTION OF CANDIDATES FOR BOARD AND SENIOR MANAGEMENT**

- a. The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Board and Senior Management 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.

- c. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- d. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board.

## **6. REMUNERATION RELATING TO DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER SENIOR MANAGEMENT**

### **a. General**

1. The NRC shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for.
3. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended for such role shall meet the description.

### **b. Remuneration to Directors, KMP and Senior Management**

The remuneration to be paid to the Managing Director & CEO shall be recommended by the NRC to the Board and governed by the Articles of Association of the Company and as per the provisions of the Companies Act.

The guidelines while determining the remuneration of Directors, KMP and Senior Management shall include:

1. Remuneration should be reasonable and sufficient to attract, retain and motivate the employees.
2. Employees to be aligned with the requirements of the Company (taking in consideration the challenges faced by the Company and its future growth imperatives);
3. Financial condition of the Company;

4. Average levels of compensation payable to employees in similar ranks,
5. Market competitiveness;
6. Based on the role played by the individual in managing the Company, including responding to challenges faced by the Company;
7. Reflective of size of the Company, complexity of the sector / industry / Company's operations and the Company's capacity to pay;
8. Aligned to regulatory requirements.

**c. Remuneration to other employees**

The compensation for other employees would be as per the policy of the Company as maybe amended from time to time through the review process from and approved by the such person as maybe Authorized by the NRC from time to time.

## **7. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND BOARD OF DIRECTORS**

The performance evaluation shall be carried out as given below:

- a. NRC shall evaluate the performance of each and every Director.
- b. Board of Directors shall evaluate all the Directors and Committees as a whole as well as all the Independent Directors.
- c. The Independent Directors shall review the performance of the non-Independent Director and the Chairman of the Company.

The NRC shall carry out evaluation of performance of every Director at regular interval

## **8. PERIODICAL UPGRADATION FOR THE DIRECTORS**

The Company shall periodically arrange Board Strategy Meetings at any of the locations. The discussions would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.

At the Board Strategy Meeting, presentations on behalf of various heads on the Company's long term Vision and Strategy. Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.

## **9. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company shall endeavor to undertake Familiarization Programme for Independent Directors to acknowledge the Directors with the Company, their roles, rights, responsibilities, nature of industry in which the Company operates, business model of the Company. The programme shall formally introduce the Independent Director to

the Business/ Unit Heads and Core Leadership Team members.

## **10. BOARD DIVERSITY AND SUCCESSION POLICY**

The NRC is responsible for reviewing and assessing the composition of the Board, in addition to identifying qualified persons to occupy Board positions.

The NRC shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience.

Further, the NRC shall ensure that no person is discriminated against on any grounds but not limited to religion, case, race, gender, national origin, age or any other physical attribute.

The NRC shall periodically review and consider the list of Whole-time Directors, Key Managerial/Management Personnel and Senior Management personnel due for retirement / attrition within the year and formulate a list of individuals eligible to succeed such individuals due for retirement.

## **11. AMENDMENT**

Any subsequent amendment/modification in the Companies Act, 2013, SEBI LODR and/or other applicable laws in this regard shall automatically apply to this Policy. In case of any amendment(s), clarification(s), circular(s), notification(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), notification(s) etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), notification(s) etc.

## **12. EFFECTIVE DATE OF THE POLICY**

This Policy was approved and adopted by the Board on January 31, 2022 and was reviewed and amended on August 09, 2023. The revised Policy shall be effective from August 09, 2023.

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