

<b>Dept :</b> HR Department	<b>Revision Date</b>	17.02.2024
<b>Approved By :</b> CHRO	<b>Revision No.</b>	00

**Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, this Nomination and Remuneration Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

**Objective and Purpose:****The objective and purpose of this Nomination and Remuneration Policy is:**

- ✓ To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- ✓ To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- ✓ To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- ✓ To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- ✓ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following Nomination and Remuneration Policy has been formulated by the Committee and adopted by the Board of Directors at its meeting held on 29th September, 2014.

**Effective Date:**

This Nomination and Remuneration Policy shall be effective from **1st October, 2014**.

**Applicability:**

The Nomination and Remuneration Policy is applicable to:

- ✓ Directors (executive and non-executive)
- ✓ Key Managerial Personnel
- ✓ Senior Management

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### General:

- ✓ This Nomination and Remuneration Policy is divided in two parts: Part – A covers the appointment and nomination and Part – B covers remuneration and perquisites etc.
- ✓ The key features of this Company’s Nomination and Remuneration policy shall be included in the Board’s Report.

### Part A – Policy for Appointment and removal of Director, Key Managerial Personnel and Senior Management

#### Appointment criteria and qualifications:

- ✓ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment.
- ✓ 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 is sufficient / satisfactory for the concerned position.
- ✓ The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 65 (sixty five) years. Provided that the term of the person holding this position may be extended beyond the age of 65 (sixty five) 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 65 (sixty five) years.

#### Term / Tenure:

##### ▪ Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Chairperson/Chairman, Managing Director or Whole-time Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

##### ▪ Independent Director:

- ✓ An Independent Director shall hold office for a term up to 5 (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 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated directly or indirectly with the Company in any other capacity.

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- ✓ At the time of appointment of Independent Director it should be ensured that number of boards on which such Independent Director serves is restricted as provided under the Companies Act, 2013 and the rules there under and the Listing Agreement.
- ✓ The appointment/re-appointment of Independent Directors shall be in accordance with the condition as prescribed under the Companies Act, 2013, rules made there under and the Listing Agreement.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval (yearly) and recommend it to the Board.

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **PART B – POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

### **General:**

- ✓ The remuneration/ compensation/ commission etc. to the Whole-time Director, Key Managerial Personnel and Senior Management will be determined by the Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations and recommended to the Board of Directors for approval. The remuneration/ compensation/ commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- ✓ The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of

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Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.

- ✓ Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board. Increments will be effective from 1st April in respect of all Whole-time Directors and employees of the Company.
- ✓ Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance 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, Key Managerial Personnel and Senior Management:

- **Fixed pay**

The Whole-time Director / Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees 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.

- **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.

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

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- **Remuneration to Non-Executive/ Independent Directors:**

Independent Directors are appointed for their professional expertise in their individual capacity as independent professionals / business executives. Independent Directors receive sitting fees for attending the meeting of the Board and committees of the Board and commission as approved by the Board and shareholders.

- **Remuneration/ Commission:**

The remuneration/ commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder. The remuneration by way of commission paid to the Independent Directors shall be determined periodically and reviewed based on the industry benchmarks.

- **Sitting Fees:**

The non-executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such maximum permissible amount per meeting of the Board or Committee as may be prescribed under the Companies Act, 2013 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 the Shareholders, subject to the limit not exceeding 1% of the profits of the Company, computed as per the applicable provisions of the Companies Act, 2013.

- **Stock Options:**

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