



NOMINATION, REMUNERATION AND EVALUATION POLICY

06/NREP/Ver-01

INTRODUCTION

This Nomination Remuneration and Evaluation policy ("**Policy**") has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("**Companies Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("**NRC**") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- 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;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

PURPOSE

This Policy is formulated to provide a framework and set standards in relation to the followings:

1. To ensure compliance with Section 178 of the Companies Act and provisions of SEBI LODR Regulations and to lay down a framework in relation to remuneration of Directors, KMP and Senior Management of the Company.
2. To lay down criteria for appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Executives of the Company.
3. To provide framework for remuneration payable to the Directors, KMPs and Senior Management Executives and other employees and align with the Company's business strategies, values, key priorities and goals.
4. Evaluation of the performance of every Director.
5. To lay down approach for Board diversity.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

The Committee shall identify:



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- a) Persons who possess adequate qualifications, expertise and experience for the position he / she is considered to be appointed. The person should have knowledge of at least one or more domain areas like, finance, law, management, sales, marketing, administration, research, governance, strategy, operations or other disciplines related to the Company's business.
- b) Person shall uphold ethical integrity, have a pedigree of acting objectively, shall have no adverse order(s) passed by any Regulatory body, should have a proven track-record of meeting professional obligations including a reputation to manage challenges.
- c) An Independent Director should meet with requirements of the Companies Act read with Schedule IV of the Companies Act and provisions of the SEBI LODR Regulations.
- d) An Independent Director shall hold office for a term upto 5 consecutive years and will be eligible for re-appointment on passing of a special resolution by the Company and following the procedure under the Companies Act and SEBI LODR Regulations.
- e) No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each. In the event the same person is to be appointed as an Independent Director after two consecutive terms of two years, a cooling period of 3 years is required to be fulfilled.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNELS AND SENIOR MANAGEMENT EXECUTIVES.

1. Appointment

- a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment to the Board.
- b) The candidate should possess adequate qualification, expertise, knowledge, skills, background and industry experience for the position against which he/ she is considered for appointment. The Committee has the discretion to decide whether the above requirements possessed by a person are sufficient/ satisfactory for the concerned position.
- c) While appointing the Directors and KMP, the NRC shall give due consideration to their limit of holding other directorships/office as specified in the Companies Act read with the rules made therein and the SEBI LODR Regulations (as amended from time to time) and/or any other applicable enactment, for the time being in force.
- d) Ensure diversity of the members of the Board.
- e) A letter of appointment shall be given to each Director, KMP and Senior Management Executives, appointed in the Company mentioning his/her terms of appointment and a copy of the said letter shall be acknowledged by the appointee.



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2. Term / Tenure

The term/tenure of appointment or re-appointment of the Directors and the KMPs shall be in accordance with the provisions as specified in the Companies Act read with the rules made thereunder and the SEBI LODR Regulations, as amended from time to time and/or any other applicable enactment, for the time being in force.

The Company shall appoint or re-appoint Executive Directors 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 of the concerned Executive Director.

3. Removal

Due to reasons for any disqualification, the Committee may recommend to the Board, removal of any Director, KMP or Senior Management Executives, with reasons recorded in writing and subject to the provisions & compliance of the applicable laws.



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POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS (KMPs) AND OTHER EMPLOYEES

The Company follows the policy to fix remuneration of its Directors, KMPs and other employees by taking into account the trend in the industry, qualification, experience, past performance and past remuneration of the respective Directors, KMPs and other employees, in the manner to strike a balance between the interest of the Company and its Stakeholders.

The guiding principle for fixing remuneration payable to the Directors, KMPs and other employees are as follows:

- The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other employees.
- The Remuneration payable to the Executive Directors shall be governed by the provisions of the Companies Act, SEBI LODR Regulations or any other enactment for the time being in force. The Remuneration shall take into account the Company's Standalone and Consolidated performance, the contribution of the Executive Directors for the same, Remuneration trends in general, meeting of appropriate benchmarks (such as remuneration paid in like-size companies) and which will ensure and support a high performance culture.
- The Non-Executive Directors and Independent Directors will receive sitting fees / commission as per the provisions of the Companies Act and in compliance with the provisions of the SEBI LODR Regulations. The amount of the sitting fees will not exceed the ceiling / limit under the Companies Act. An Independent Director will not be eligible to any stock option of the Company. The Board of Directors will from time-to-time fix the sitting fees for attending the meetings of the Board and its Committees on the recommendations of the Committee.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.
- The NRC shall recommend a remuneration policy for the evaluation of the performance and remuneration of Key Managerial Personnel (except WTD/MD) , Senior Management and other employees of the Company. The Nomination and Remuneration Committee while recommending such a policy shall consider the criteria like industry practice, qualification, experience, merits, performance of each employee, Company performance etc.



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- The Remuneration payable to the Directors, KMPs and other employees shall be reflective of the individual's role, responsibilities and experience in relation to performance of day-to-day activities.
- The remuneration payable to the Directors (both Executive and Non-Executive Directors) shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:
 - a) The services rendered are of a professional nature; and
 - b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

POLICY FOR EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

The evaluation/assessment of the Independent Directors and the Board of the Company is to be conducted on an annual basis in accordance with the requirements of the Companies Act read with the rules made there under, the SEBI LODR Regulations, as amended from time to time and any other enactment, as made applicable for the time being in force.

The following criteria may assist in determining how effective the performances of the Directors have been:

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors of the Company, excluding the Director being evaluated.



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BOARD DIVERSITY

The Company acknowledges the importance of diversity within the Board and the Committee is fully committed to ensure that a transparent board nomination process is in place which is based on merit and that encourages diversity of thought, experience, background, knowledge, ethnicity, perspective, age and gender.

The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that woman with the right skills and experience can play in contributing to diversity of perspective in the Boardroom;

The Committee shall ensure that the Company has an appropriate blend of functional and industry expertise;

The Committee shall monitor and periodically review the Board Diversity and recommend to the Board any changes so as to improve one or more aspects of its diversity and measure progress accordingly.

POLICY REVIEW AND AMENDMENT

The Nomination and Remuneration Committee and the Board of Directors will review this policy periodically and may amend or modify the Policy accordingly, from time to time.

“Unless the context otherwise requires, word and expression used in this policy shall drive their meaning from the Companies Act, 2013 read with the Rules made there under, the Listing Agreement as amended from time to time and any other enactment, as made applicable for the time being in force.”
