

# **NOMINATION, REMUNERATION & BOARD EVALUATION POLICY**

## **A) CRITERIA FOR EVALUATING DIRECTORS, KEY MANAGERIAL PERSON AND OTHER EMPLOYEES:**

### **1. Personal Specification for Directors**

#### **1.1 Qualification:**

- Degree holder in relevant disciplines (e.g. management, accountancy, legal);
- Recognised specialist

#### **1.2. Experience:**

- Experience of management in a diverse organization
- Experience in accounting and finance, administration, corporate and strategic planning or fund management
- Demonstrable ability to work effectively with a Board of Directors

### **2. Skills:**

- Excellent interpersonal, communication and representational skills
- Demonstrable leadership skills
- Extensive team building and management skills
- Strong influencing and negotiating skills
- Having continuous professional development to refresh knowledge and skills

### **3. Abilities and Attributes:**

- Commitment to high standards of ethics, personal integrity and probity
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the work place.

### **4. Independence:**

- Person of integrity and possesses relevant expertise and experience
- Not a promoter of the company or its holding, subsidiary or associate company
- Not related to promoters or directors in the company, its holding, subsidiary or associate company.
- No pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during current & immediately preceding 2 financial years
- Relatives do not have pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors,

exceeding the lower amount of 2% or more of total income or Rs. 50 Lacs or prescribed amount during current & immediately preceding 2 financial years

- Neither person nor relatives hold position of a key managerial personnel or employee of the company or its holding, subsidiary or associate company in any of the 3 financial years immediately preceding the financial year of proposed appointment,
- Not an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of proposed appointment of a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% per cent. or more of the gross turnover of such firm
- Not holds together with relatives 2% per cent. or more of the total voting power of the company; or is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company
- such other qualifications that may be prescribed.

## **B) BOARD EVALUATION:**

As per the Company's Board Evaluation Policy, approved by the Board of Directors, the performance criteria are as follows:

- i) The performance evaluation criteria of the Board includes:-**
  - a) Growth in Business volumes and profitability, compared to earlier periods;
  - b) Growth over the previous years through inorganic expansion;
  - c) Transparency and fairness in Board Decision making processes.
  
- ii) The performance evaluation criteria of Individual Directors and Committees includes:-**
  - a) Attendance record and intensity of participation at meetings,
  - b) Quality of interventions,
  - c) Special contributions and
  - d) Inter-personal relationships with other Directors and management

**C) POLICY FOR REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSON AND OTHER EMPLOYEES:**

**Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

**Variable salary:**

Based on the performance of the Company and the employees, annual bonus will be paid to the employees, normally equal to one month's salary.

**Retirement Benefits:**

Contribution to Provident fund, Gratuity etc as per Company rules and statutory requirements.

**Directors remuneration:**

Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company with the approval of the Shareholders and Central Government may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

The Company may with the approval of the shareholders authorise the payment of remuneration up to five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.

The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.

The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors subject to provisions of section 197 and the rules made thereunder.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and determined keeping in view the industry benchmark, the relative performance of the company to the industry performance and review on remuneration packages of other organizations.