

NOMINATION & REMUNERATION POLICY

1. Objective:

The objective of the policy is

- a. To ensure that Whole Time Directors, Key Managerial Personnel and Senior Executives of high caliber are being attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees
- b. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down herein after.
- c. To evaluate the performance of the Whole time Directors, Key Managerial Personnel and Senior Executives.
- d. To recommend to the Board on Remuneration payable to the Whole time Directors, Key Managerial Personnel and Senior Executives.
- e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Whole time Directors, Key Managerial Personnel and Senior Executives.

2. Criteria for Board Membership and Board Diversity:

- a. The Director must have relevant experience in Finance /Law / Management/ Sales/ Marketing/ Administration/Research/Corporate Governance/ Technical Operations/ Human Resources or the other disciplines related to Company's business.
- b. The Director should possess the highest personal and professional ethics, integrity and values.
- c. The Independent Director shall not have any material financial interest with the Company or through any of its officers, other than as a Director or shareholder of the Company. Wherever required a Director should disclose the nature of his interest, if there are reasons to believe there is or a likelihood of potential conflict of interest.
- d. The Independent Directors shall fulfil the criteria specified in Schedule IV and Section 149(7) of the Companies Act, 2013 and Rules made thereunder and Clause 49 of the Listing Agreement

3. Remuneration criteria:

The remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

For Managing / Whole-time Directors

The Board of Directors / the Nomination and Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement benefits as per the law / rules, Performance Linked Incentive / Commission and other emoluments. Annual increments are decided by the Nomination and Remuneration Committee within the salary grade approved by the Members.

In addition to the above remuneration, Expatriate Directors are paid Overseas Allowance / Special Allowance and certain other Perquisites as per the Rules of the Company.

For Non-executive Directors

The Non-executive Directors other than those representing the majority shareholders are remunerated by way of Sitting Fees and Commission. For the Key Managerial Personnel and Senior Executives:

- The remuneration of other KMP and other Senior Executives largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.
- They are also entitled to customary non-monetary benefits such as Company car and Company health care, telephone & accommodation on case to case basis.
- The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

4. Performance evaluation of Directors:

The Companies Act, 2013 and Listing Agreement with Stock Exchanges mandate that the Independent Directors shall bring an objective view in the evaluation of the performance of the Board and Management. As per Clause VII of the Schedule IV to the Companies Act, 2013, the Independent Directors shall (a) review the performance of the Non-Independent Directors and the Board as a whole and (b) also review the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. The performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The purpose of a Board evaluation is to improve Board and Company performance. It allows the Board to identify problems and highlight areas where performance can be enhanced. As a first step, it is proposed to have a combined review of Board's performance.

5. Amendment:

This policy shall remain in force unless modified by the Nomination & Remuneration Committee.

6. Note:

The provisions of the Companies Act, 2013 and rules thereto and the Listing Agreement (including any amendment thereto from time to time) to the extent applicable, shall apply in addition to this policy.