

NOMINATION AND REMUNERATION POLICY

- **INTRODUCTION**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the Provisions of Companies Act, 2013 and the Securities and Exchange board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 to pay equitable remuneration to directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

- **OBJECTIVE**

The Key Objectives of the Committee and the policy:

- a) To guide the Board in relation to appointment and removal of Directors, Key managerial Personnel and Senior Management.
- b) To recommend to the Board on remuneration payable to the directors, key managerial Personnel and Senior Management.
- c) To lay down criteria for identifying persons who are qualified to become directors and who may be appointed as KMP and senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- d) To attract, retain and motivate the Directors, KMPs and Senior Management Personnel.

- **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the nomination and remuneration committee of the Board. This is in line with the requirements under the Companies Act, 2013 ('the Act') and Regulation 19 of Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has authority to reconstitute this committee from time to time.

- **ROLE OF COMMITTEE**

The role of the committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a director.
- b) to recommend to the board the appointment and removal of senior management.

c) to carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his /her performance.

d) to recommend to the Board on (i) policy relating to remuneration for directors, Key Managerial personnel and senior management and (ii) Executive Directors remuneration and incentive.

e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract.

f) to ensure that level and composition of remunerations reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- **POWERS OF COMMITTEE**

a) To obtain outside legal or other professional advice.

b) To secure attendance of outsiders with relevant expertise, if it considers necessary.

c) To seek information from any employee.

d) To examine any activity within its terms of reference.

- **REMUNERATION POLICY**

Managing Director(s), whole time Director, non executive and Independent Directors

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the company for the Executive and Non executive Directors. This will be then approved by the Board and Shareholders. Prior approval of Shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to managing Director(s), whole time Director. Remuneration is paid within the ceiling approved by the Board and shareholders. Prior approval of Shareholders will be obtained wherever applicable.

The remuneration paid to executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non-Executive directors receive sitting fees for attending the meeting of the Board and Board Committee.

- **POLICY ON BOARD DIVERSITY**

The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like production, Management, Quality assurance, finance, Sales and Marketing, supply Chain, research and development, human resources, etc. or as may be considered appropriate.

The Board shall have atleast one Board Member who has accounting or related financial management expertise and atleast three members who are financially literate.

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company. The Board of Directors of the Company shall have an optimum combination of Executive and Non-executive Directors with at least one woman director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the statutory, regulatory and contractual obligations of the Company.

- **REVIEW OF POLICY**

The Nomination and Remuneration Committee will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval.

- **CHANGES IN THE GOVERNING LAWS:**

Any changes in the Governing laws such as the Listing agreements, Companies Act, the Securities and Exchange Board of India Regulations and the other Laws and the Rules, Notifications and Guidelines, if any, issued/ framed there under and applicable to the Company which has an effect of enlarging the scope of the role of the Nomination and Remuneration Committee shall automatically be deemed to enlarge the role of the Nomination and Remuneration Committee provided herein above.

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