

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015, as amended from time to time. It has been formulated for nomination and remuneration of Directors, Key Managerial Personnel and other employees.

Objective

The objective of the policy is to ensure:

- 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,
- the remuneration shall be equal to the performance of the Company and

Remuneration to Directors, Key Managerial Personnel and other employees involves a balance between fixed and incentive pay reflecting the performance of the Company and its goals.

Appointment and Removal of Director, Key Managerial Personnel and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise of a person is sufficient / satisfactory for the position.

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 or more non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee and Nomination and Remuneration policy shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

Term / Tenure

a) Managing Director/Whole-time Director/Manager

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Executive Director or Manager pursuant to the provision of Companies Act, 2013.

b) Independent Director

An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Operations, Engineering or other disciplines related to the Company's business.

An Independent Director shall hold Office for a term up to 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 Two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of Three years of ceasing to become an Independent Director. Provided, that an Independent Director shall not, during the said period of Three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly and shall comply the provision of Section 149 read with Schedule IV of the Companies Act, 2013 and rules made there under.

Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the appointment letter of the Co's rules and regulations and the policy of the Company.

Retirement

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

Policy for Remuneration to Directors/KMP/ Other Employee:

A. Non-Executive Directors (NEDs) / Independent Directors(IDs)

The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. The company has no stock options plans and no payment by way of commission, bonus, pension, incentives etc. shall be paid.

B. Managing Director, Manager, Key Managerial Personnel & Other Employees

The objective of the policy is directed towards having a compensation policy and structure that will reward and retain talent.

The Remuneration to Managing Director / Manager shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Company has no stock options, plans and hence, such instruments do not form part of his remuneration package.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.

C. Statutory Requirements

- 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 as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise 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 upto 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 upto 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.