



# Coral India Finance And Housing Limited

## **NOMINATION AND REMUNERATION POLICY**

**Change in Nomenclature** : **11<sup>th</sup> August, 2014**  
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## 1. PREFACE

Pursuant to the provisions of Companies Act, 2013 (the “Act”), the Company formulated this policy which lays down the criteria for determining the qualifications, positive attributes and Independence of a Director and also lays down the criteria for remuneration of the Directors, Key Managerial Personnel and other employees.

Further, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) [erstwhile Listing Agreement] inter-alia mandates to ensure a transparent board nomination process ensuring Board diversity in terms of varied experience, knowledge, perspective and gender in the Board. The Company is required to lay down the criteria for determining qualifications, positive attributes, independence of a Director and specify the manner for effective evaluation of performance of the Board, its Committees and individual directors to be carried out either by the Board, by Nomination and Remuneration Committee and review its implementation and compliance. It further requires a Company to devise a policy on Board diversity; and a policy setting out guiding principles to determine the remuneration of its Directors, Key Managerial Personnel & other employees.

Coral India Finance and Housing Limited (the “Company” or “CIFHL”) has a Remuneration Committee which was duly constituted in 2002. However, in order to align with the provisions of Companies Act, 2013 and the erstwhile Listing Agreement, the Board of Directors on 11<sup>th</sup> August, 2014 renamed the “Remuneration Committee” as “Nomination and Remuneration Committee” and revised its terms of reference.

As per the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee (the “Committee”) has been entrusted with the responsibility to lay down the criteria for the Board of Directors appointment, evaluation and remuneration for the Directors, Key Managerial Personnel and other employees.

## 2. OBJECTIVE

- a. To lay down the criteria for identifying the persons who are qualified to become directors and such persons who may be appointed as the Senior Managerial Personnel of the Company.
- b. To determine the qualifications, positive attributes and independence of the Board and to ensure Board Diversity.
- c. To lay down the criteria for determining the remuneration of the Directors, KMP and other employees.
- d. To specify the manner for effective evaluation of performance of the Board, its Committees and individual directors.
- e. To set up criteria for evaluation of the performance of other employees of the Company.



### 3. DEFINITION

- 3.1 Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 3.2 “Applicable Law”** includes any statute, law, regulation, ordinance, rule, judgment, order, decree, byelaw, clearance, directive, guideline, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.
- 3.3 “Company”** means **Coral India Finance and Housing Limited (CIFHL)**.
- 3.4 Board** means Board of Directors of the Company.
- 3.5 Directors** mean Directors of the Company.
- 3.6 Key Managerial Personnel (KMPs)** in relation to a company means:
- (i) the Chief Executive Officer (CEO) and /or the Managing Director (MD) or the Manager;
  - (ii) the Company Secretary (CS);
  - (iii) the Whole- time Director (WTD);
  - (iv) the Chief Financial Officer (CFO);
  - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - (vi) Such other officer as prescribed under the Companies Act from time to time.
- 3.7 “Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager including chief executive officer/manager, in case they are not part of the board and shall specifically include Company Secretary and Chief Financial Officer.
- 3.8 “Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013 and Clause 16(1)(b) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time.
- 3.9 “Employee”** means any person who is in the permanent employment of the Company.

Words and expressions not defined in this policy shall have the same meaning as contained in the Act and the Listing Regulations.

### 4. SCOPE

- 4.1** This Policy shall be applicable to:
- a. Board of Directors
  - b. Key Managerial Personnel as defined under Section 2(51) of the Act



- c. Senior Managerial Personnel, shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this shall comprise of all members of management one level below the Executive Directors, including all functional heads and all employees at Vice President Position and above.
- d. Other Employees of the Company.

4.2 This Policy does not cover temporary or contractual employees, trainees, apprentices, consultants engaged on a retainer basis or otherwise and casual labour.

## **5. APPOINTMENT CRITERIA FOR THE BOARD AND OTHER EMPLOYEES**

### **A. FOR THE BOARD**

#### **1. COMPOSITION OF THE BOARD**

- Section 149 of the Act prescribes that every public limited company shall have at least 3 Directors and provides for appointment of up to fifteen Directors without seeking approval of Shareholders. It also prescribes that all listed companies shall have at least one woman director. Section 149 (3) of the Act provides that there should be at least one Director who should have stayed in India for a total period of not less than 182 days during the financial year.
- As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, where a non-executive director is appointed as the Chairman of the Board, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors. Provided that where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the Company shall consist of Independent Directors.
- The Board, at present, has an Executive Chairman. The composition of the Board shall include such minimum number of Independent Directors as mandated in the law. The Board should have expertise in making informed decisions, expediently with the bouquet of variety of perspectives and skills that works together in the best interest of the Company.

#### **2. BOARD DIVERSITY**

- The Company shall be committed to promote diversity on the Board and recognizes the importance and benefits of having a diverse Board.
- The Company shall endeavor to ensure diversity on the Board through varied skills, experience and background, industry experience, gender, knowledge and other distinguishing qualities of the members of the Board shall enhance the overall effectiveness of the Board and bring in valuable contribution to its business strategies, plans and future growth aspects.



- The Company shall endeavor to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for its operations.

### **3. APPOINTMENT CRITERIA**

#### **I. Whole Time Director/Executive Director**

The Whole Time Director/Executive Director shall be appointed as per the applicable provisions of the Act and rules made there under.

The person to be appointed will be assessed against a range of criteria which shall include but shall not be limited to qualifications, skills, industry experience, fit & proper, background and other attributes required for the said position.

The Whole Time Director/Executive Director shall have all the powers and authorities as prescribed by the Board of Directors and as provided in the Articles of Association and applicable provisions of the Act. The Whole Time Director/Executive Director will be overall in-charge of the business, administration and other affairs of the Company subject to the superintendence, control and directions of the Board of Directors and he shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

#### **II. Non-Executive Director**

The Non - Executive Director shall be appointed as per the applicable provisions of the Act and rules made there under.

The person to be appointed shall be assessed on various parameters such as qualification, relevant experience and expertise, integrity, skill sets etc. The person considered to be appointed as a Non-Executive Director should possess relevant expertise which will help the person to act objectively and constructively.

#### **III. Independence Criteria for the Board**

- A person considered for the position of an Independent Director shall fulfil the below mentioned criteria and shall mean a non-executive director other than a managing director or a whole-time director or a nominee director of the Company-
  - (a) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
  - (b) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
  - (c) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
  - (d) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters or directors, during the three immediately preceding financial years or during the current financial year;
  - (e) none of whose relatives
    - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years



- or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid - up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
- (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
- (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
- (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:  
Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.
- (f) who, neither himself/herself, nor whose relative(s) —
- (A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;  
[Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his/her employment.]
- (B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
- (1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
- (2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (C) holds together with his/her relatives two per cent or more of the total voting power of the listed entity; or
- (D) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
- (E) is a material supplier, service provider or customer or a lesser or lessee of the listed entity;
- (vii) who is not less than 21 years of age.
- (viii) who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.



- In compliance with the other applicable laws and other relevant regulations as may be issued by the Ministry of Corporate Affairs, SEBI, Independent Directors shall also be required to adhere to the Code for Independent Directors under Schedule IV of the Act.

#### **4. NOMINATION PROCESS**

- The Nomination & Remuneration Committee shall be responsible to review the structure, composition and diversity of the Board and make recommendations to the Board on any proposed changes/ new appointments to complement the Company's objectives and strategies.
- The Committee may on annual basis review the appropriate skills, knowledge and experience required for the Board as a whole and its individual Directors.
- The Committee shall ensure that the Board shall at all times represent an optimum combination of Executive and Non- Executive Directors as well as Independent Directors with at least one woman director and not less than fifty percent of the Board of Directors comprising independent directors.
- The Committee shall while identifying and selecting suitable candidates for fresh appointment/ re-appointment/ filling up casual vacancy shall inter-alia consider the following criteria:
  - consider educational and professional background and personal achievements;
  - consider individuals who are appropriately qualified, based on their talents, experience, functional expertise and personal skills, character and qualities;
  - consider criteria that promotes diversity, including gender, age and relevant background;
- The Committee shall describe the capabilities required and role of Independent Director based on the evaluation the balance of skills, knowledge and experience on the Board.
- The proposed appointee shall also fulfil the following requirements:
  - Shall possess a Director Identification Number or any other identification number as prescribed by the Central Government from time to time;
  - Shall not be disqualified under the Act;
  - Shall give his/her written consent to act as a Director;
  - Shall not be a director in more than seven listed entities.
- Shall endeavor to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
  - Shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his/her shareholding, Committee membership/ chairmanship at the first meeting of the Board in every financial year.





- Such other requirements as may be prescribed, from time to time under the Act or SEBI Listing Regulations and other relevant laws.
- Upon receiving the consent to act as a Director, the profile of the person proposed to be appointed as a Director, shall be placed before the Board for its consideration and approval.
- The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier;

Provided that the appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders:

Provided further that the statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a detailed explanation and justification by the Nomination and Remuneration Committee and the Board of directors for recommending such a person for appointment or re-appointment.

- As per the provisions of the Act, appointment of Directors by the Board shall be placed before the shareholders for their approval. The Company shall issue a formal appointment letter to the Independent Directors confirming their appointment under the signatures of the Chairman and Managing Director.
- The Committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a Director.

## **5. TERMS AND TENURE**

### **I. Managing Director/ Whole-time Director /Executive Chairman**

- The Board based on the recommendation of the Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for the position of Managing Director/Whole-time Director.
- The terms and conditions of the appointment shall be in accordance with the provisions of Applicable Law.
- The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director 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.
- The Company shall not appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years.



Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

## **II. Non-Executive Director**

The Company shall not appoint a person or continue the directorship of any person as Non-Executive Director who has attained the age of Seventy-Five years unless a special resolution is passed to that effect is passed along with justification for such appointment.

## **III. Independent Director**

- 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, 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.

## **6. OUTSIDE DIRECTORSHIP**

- The Directors shall have the liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with the performance as a Director of the Company.
- Any change(s) in the nature or the number of directorship(s)/Committee membership(s) or chairmanship(s) held shall be intimated to the Company within thirty days of such change.
- The Directors may hold office as a director, including any alternate directorship, in not more than twenty companies [excluding directorship in dormant company/(ies)], at the same time subject to maximum directorships in ten public companies.
- As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no Director shall serve as an Independent Director in more than seven listed companies. Further, a whole-time director of a listed company shall not serve as an independent director in more than three listed companies.

Explanation — For the purpose of this regulation, the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

- Further, a director shall not act as a Member in not more than ten committees of public limited companies or act as a Chairman of not more than five committees of listed companies across all Companies in which they are Director(s). However, as per the applicable regulations, the Chairmanship/membership of the Audit Committee and Stakeholders Relationship Committee alone shall be considered for reckoning the said limit.



## **B. FOR THE EMPLOYEES**

### **I. Key Managerial Personnel (KMP) and Senior Management Personnel**

- Section 203 of the Act provides for appointment of whole-time Key Managerial Personnel (“KMP”) by listed entities and such personnel shall be appointed by means of resolution of the Board containing the terms and conditions of such appointment.

The KMP and Senior Management Personnel should comprise of individuals with appropriate mix of skills, experience and personal attributes. The said employees should be adept and understand the business and the environment in which the Company operates and perform towards the achievement of Company’s objectives and goals.

- For the appointment of KMP and Senior Management Personnel, the following criteria shall be considered:
  - assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the respective position,
  - the extent to which the appointee is likely to contribute to the overall effectiveness of the organization, work constructively with the existing team and enhance the efficiencies of the Company;
  - Personal specifications like degree holder in relevant disciplines, experience of management in a diverse organization, excellent interpersonal, communication and representational skills, demonstrable leadership skills, commitment to high standards of ethics, personal integrity and probity, commitment to the promotion of equal opportunities and skills must also be considered.
- The appointments of one level below the Executive Director shall be within the ambit of the Committee and the Committee shall be duly informed on the appointments at the Senior Management Personnel level and above.

### **II. Other Employees**

The Company shall recruit individuals with high level of integrity and having desired qualification, skill sets and experience relevant to the Company’s requirements for the specific position for which such individual is interviewed.

### **C. Compliance with the Code**

The Board, KMP and the Senior Management Personnel shall be required to adhere to the Code of Conduct for the Board and the Senior Management Personnel and also comply with the Code of Conduct for Prohibition of Insider Trading.

## **6. REMUNERATION CRITERIA FOR THE BOARD AND OTHER EMPLOYEES**

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.



- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and Regulations.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act and Regulations.

**A. FOR THE BOARD**

**I. Whole time Director/Executive Director**

a) 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).

b) Variable Salary

- The Whole-time Director/Executive Director, the Company may structure any portion of remuneration as variable in the form of commission/bonus or otherwise, linked to rewards on the achievement of Company's and individual performance, fulfilment of specified improvement targets or attainment of certain financial or other objectives set by the Board. The amount payable shall be determined by the Committee/Board, based on performance against pre-determined financial and non-financial metrics.

c) Minimum Remuneration

- As per Section 197 of the Act, 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 11% of 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 may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V of the Act.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Act.
- The Whole-time Director/Executive Director shall not be entitled to sitting fees as per the provisions of the Act.
- The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
  - a. the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
  - b. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:



Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

- The Whole-time Director/Executive Director shall be governed by HR policies as applicable to the other employees of the Company.

## **II. Non-Executive and Independent Director**

- The Non-executive and Independent Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto 1% of the net profits of the Company, if there is a managing director or whole-time director or manager and 3% of the net profits in any other case.
- All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors within the limits as prescribed under the Act and shall require prior approval of shareholders, however, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Act.
- The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate. An Independent Director shall not be entitled to any stock option of the Company.
- The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses shall be paid by the Company.
- Commission may be paid to the Non- Executive Directors and Independent Directors within the limits prescribed under the Act i.e. not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non- Executive Directors and Independent Directors.
- The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

## **B. FOR THE EMPLOYEES**

### **I. Key Managerial Personnel (KMP) and Senior Management Personnel**

- The remuneration of the Key Managerial Personnel and Senior Management shall be determined, after considering the following key factors:
  - (a) The level and composition of remuneration that should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long-term interests and performance of the company.
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.



- (c) Remuneration 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 remuneration for the Key Managerial Personnel(s) at the time of the appointment shall be approved by the Board and any subsequent increments (except for the KMPs, who are there on the Board) shall be approved by the Chairman & Managing Director of the Company as per the HR policy of the Company and shall be placed before the Board.

## **II. Other Employees including Senior Management Personnel**

- The Annual remuneration shall be payable to the employees in general and shall be based upon the industry position, business performance, and macro-economic conditions and also be benchmarked to companies in the Housing Finance sector. The reports generated through recognized HR consultancies, industrial reports etc. shall form basis for appropriate benchmarking
- The performance linked variable component of the annual remuneration shall be based on the achievement of the individual objectives and performance of the employee.
- The statutory payments such as provident fund, gratuity and superannuation benefits etc. shall be made in accordance with the applicable laws.

## **7. OTHER REQUIREMENT WITH REGARDS TO THE COMMITTEE**

- The Committee shall comprise of at least three Directors, all of whom shall be non-executive Directors and at least two-third shall be Independent Directors.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act and the SEBI Listing Regulations.
- The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher including at least one independent director in attendance.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.
- The Nomination and Remuneration Committee shall meet at least once a year.
- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.



- Chairperson of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.
- The Company Secretary of the Company shall act as Secretary of the Committee.
- Proceedings of all Meetings must be minutes and signed by the Chairperson of the Committee at the subsequent Meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting.

## **9. DUTIES OF NOMINATION AND REMUNERATION COMMITTEE**

### **A. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making 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.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

### **B. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- To consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- To recommend and approve the remuneration of the Senior Management including key managerial personnel of the Company.
- To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- To consider any other matters as may be requested by the Board.



## 9. EVALUATION OF THE BOARD AND ITS EMPLOYEES

### A. EVALUATION OF THE BOARD

#### 1. Executive Directors or Chairperson

- The evaluation of the Executive Directors shall be carried out on the basis of various key performance parameters as prescribed by the committee, considering the views of other Executive and Non-Executive Director.
- The performance of the Chairperson/Executive Directors of the company shall be reviewed by the Independent Directors and by the Committee.

#### 2. Non-Executive Director

- The performance of the Non-Executive Director shall be reviewed and evaluated based on various key performance parameters as prescribed by the committee, considering the views of other Executive and Non-Executive Director.
- The performance of the Non-Executive Director shall also be evaluated by the Independent Directors and by the Committee.

#### 3. Independent Director

- The performance evaluation of independent directors shall be carried out as per Schedule IV (Code for Independent Directors) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").
- The evaluation shall be done by the entire Board of Directors, excluding the director being evaluated.
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of an Independent Director.

#### 4. Board's Performance

- The Board shall evaluate its effectiveness on a continuing basis. Meaningful Board evaluation requires an assessment of the functioning of the entire Board/Committees, contribution of individual directors therein and suggesting together the improvements areas, if any. The Independent Directors shall assess the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary to enable the Board to discharge its duties reasonably and effectively.
- The Independent Directors shall hold at least one separate meeting in a financial year to review the performance of non-independent directors and the Board as a whole.
- In determining the re-election of a director, the Board shall consider the performance review carried out by the Independent Directors, Director's past attendance at meetings and participation in and contributions to the deliberations/decisions of the Board.
- The results of evaluation done by the committee shall be placed before the Board annually for its review.





- The manner for effective evaluation of the performance of Independent Directors, Non-independent Directors and Board as whole shall be as approved by the Committee from time to time.

## **B. OTHER EMPLOYEES**

- The performance of the employees is evaluated on annual basis as per Company's performance evaluation/annual appraisal process. The performance objectives of all employees are determined and aligned with the overall goals / objectives of the Company.
- Various factors such as the job profile, experience, skill sets determine the performance rating, the career progression/ incentives/ annual bonus payout.

## **11. SUCCESSION PLAN**

The Company believes that a planned programme of recruitment and retirement amongst Board Members and the Senior Management Personnel is of significant importance.

It is an important part of the Board's work to ensure that there is adequate management development and succession planning particularly at the top levels. Succession planning involves an assessment of the challenges and opportunities facing the Company, and an evaluation of the skills and expertise that will be needed in the future.

The annual appraisal assessment process for all the employees including the Senior Management Personnel has succession planning and employee progression as one of the key attributes. The Company is having a Succession Policy and it is the responsibility of the superiors to identify the succession path and suggest the training and development of skill necessary for the Company's executives or suggest new recruitment wherever gaps exist.

## **12. DISCLOSURES**

- The Company shall disclose the criteria for performance evaluation, terms of the Remuneration Policy as laid down in this policy, in its Annual Report or make such other disclosures as may be required under the applicable statutory requirements.

## **13. REVIEW**

- This Policy will be subject to periodical review by the Committee as and when required keeping in view the regulatory changes, other benchmarks, industry practices etc. and the recommendation(s), if any, shall be placed before the Board of Directors for their approval.

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