



## **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

### **I. PREAMBLE:**

The Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and other employees ('this Policy') is formulated in compliance with Section 178 of the Companies Act, 2013 ('the Act'), read with the applicable Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time. This Policy has been formulated by the Nomination and Remuneration Committee ('NRC') and has been approved by the Board of Directors based on the recommendations of the NRC. This Policy is being amended from time to time, based on the recommendations of the NRC.

### **II. OBJECTIVE:**

The objectives of this Policy are to:

- (i) lay down the criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors including their qualifications, positive attributes and independence;
- (ii) meet the objectives of driving diversity and an optimum skill mix;
- (iii) ensure that:
  - (a) 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;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay



reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**III. DEFINITIONS:**

All words and expressions used in this Policy shall have the same meaning as defined under the applicable laws and regulations including the Act and SEBI Listing Regulations.

**IV. COMPLIANCE WITH APPLICABLE LAWS:**

The procedure for appointment and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Act read with Rules framed thereunder, (b) SEBI Listing Regulations, (c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR Policy of the Company.

**V. APPOINTMENT OF DIRECTORS:**

- (i) The Company shall appoint those persons who possess requisite qualifications, experience, expertise and positive attributes within overall framework of diversity as described in this Policy.
- (ii) After necessary evaluation, NRC may recommend to the Board the appointment of new Directors and re-appointment of existing Directors.
- (iii) For every appointment of an Independent Director, NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.



**VI. CRITERIA FOR QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:**

**(i) Qualifications:**

Any person to be appointed as a Director on the Board of Directors of the Company shall, in addition to a formal professional qualification and competence, possess appropriate skills, expertise, experience and knowledge in one or more fields viz. finance, sales and marketing (commercial), science and technology, domain industry, general management, legal (including corporate governance) or such other field as the NRC/Board may require.

**(ii) Positive Attributes:**

(a) He/She should be a person of integrity, with high ethical standard.

(b) He/She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligations and duties as a director.

(c) He/She should be having courtesy, humility and positive thinking.

(d) He/She should be knowledgeable and diligent in updating his/her knowledge.

(e) He/She should have skills, experience and expertise by which the Company can benefit.

(f) In respect of Executive/Whole Time Director/Managing Director, in addition to the above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.



(g) Independent Directors are also expected to abide by the 'Code for Independent Directors' viz. Schedule IV to the Act. The Code specifies the guidelines of professional conduct, role & functions and duties of Independent Directors.

**(iii) Independence:**

In respect of an Independent director, in addition to the above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under section 149 of the Act read with Schedule IV to the said Act and the provisions of SEBI Listing Regulations, as amended from time to time.

**VII. BOARD DIVERSITY:**

The Company believes in Board diversity on the basis of gender and age, benefiting to build diversity of thought and will set the tone on the Board. A mix of individuals representing different field of industry, experience, qualification and skill set will bring in different perspectives and help the organization grow.

The Board of Directors of the Company shall at all times have an optimum combination of executive and non-executive directors and independent Directors as per the Act and SEBI Listing Regulations.

**VIII. REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

- (i) Sitting fees within the limits prescribed under the Act and Rules framed thereunder for attending meeting of the Board, Committees thereof and meeting of the Independent Directors.
- (ii) Commission on net profit as may be decided by the Board.
- (iii) In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred for attending various meetings.
- (iv) The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.



**IX. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

**(i) Components**

Basic salary  
Allowances  
In kind (car, house, etc.)  
Retirals  
Reimbursements  
Variable Pay  
Stock Options

**ii) Factors for determining and changing remuneration:**

Existing compensation  
Qualification  
Experience  
Salary bands  
Individual performance  
Market benchmark

**iii) Variable incentive pay (including Stock Options)**

Individual Performance	Business/Company Performance
Grade	Return on Assets
Performance rating	EBIDTA
Comparative performance within KMPs	Operational Revenue (YOY /Budget)
	Return on Investments
	HSE

iv) Remuneration to Directors, Key Managerial Personnel and Senior Management should 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.



**X. REMUNERATION TO OTHER EMPLOYEES:**

**Components:**

Basic Salary, Allowances, Retiral Benefits, such other perquisites and/or incentives and/or bonus and/or Variable Incentive Pay (including Employees' Stock Options) based on factors as above, as may be decided by the Management from time to time as per HR Policy.

**XI. AMENDMENTS TO THIS POLICY:**

Any or all provisions of this policy would be subject to amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, being inconsistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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*\*This Policy is latest amended w.e.f. January 31, 2022.*