







Upon selection of the candidate, the NRC shall make a recommendation to the Board for appointment of Director/ KMP/SMP. For discharging this duty the NRC may seek inputs from the persons responsible for identifying the candidates stated in Clause above.

The appointment of Directors and KMP shall be subject to the compliance of the applicable laws and the Articles of Association of the Company.

#### **4.3. Term / Tenure:**

The term of appointment of Directors shall be governed by the provisions of the applicable laws.

##### **(i) Managing Director / Whole Time Director**

The Company shall not appoint or re-appoint any person as its Managing Director / Whole Time Director for a term exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **(ii) 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.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole Time Director of a listed company or such other number as may be prescribed under the Act / SEBI Listing Regulations.

#### **4.4. 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 any Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, in the best interest of the Company following the compliance with applicable laws.

The resultant vacancy caused by retirement of Director, KMP or SMP may be filled by the NRC in accordance with this Policy and the applicable laws.

#### **4.5. Removal:**

The Removal of Director, KMP or SMP may be warranted due to reasons such as disqualification prescribed under the applicable Laws and / or disciplinary reasons.

Due to reasons for any disqualification mentioned in the Act or under any other applicable rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the act, rules and regulations.

The resultant vacancy caused by removal of Director, KMP or SMP may be filled by the NRC in accordance with this Policy and the applicable laws.

### **5. GUIDELINES RELATING TO REMUNERATION:**

The policy represents the overarching approach of the Company to the remuneration of director, KMPs and other employees. Through the compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay.

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### **5.1. Remuneration to Executive Director(s)**

The Directors, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration or at a specified percentage of the net profits of the company or at partly by one way and party by the other.

The remuneration payable to Executive Director(s) shall be determined by the NRC and recommended to the Board for approval.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Directors & Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with such approvals as required under the Act.

If any Director including any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction as may be required under the act, wherever required, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

A Director may receive fees for attending meetings of Board or Committee thereof subject to the condition that the amount of such fees shall not exceed INR One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the applicable laws and the Articles of Association of the Company.

The remuneration shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the applicable laws and the Articles of Association of the Company.

The remuneration shall comprise a mix of Fixed Remuneration and Variable remuneration in the form of performance incentive. The performance incentive shall be based on the prevailing policy of the Company.

Additionally, the Executive Director(s) may be entitled to Employee Stock Options granted under any Employee Stock Option Plan/Scheme(s), Stock Appreciation Rights granted under any Stock Appreciation Rights Plan/Scheme(s) of the Company and such other long term incentive schemes of the Company.

Annual revisions in the remuneration within the remuneration limits approved by the Board, shareholders/Central Government, shall be based on the prevailing policy of the Company and the same shall be recommended by the NRC to the Board. The Board shall approve such annual increases.

## **5.2. Remuneration to Non-Executive Directors (NED)**

The remuneration (including revisions thereof) payable to the NED shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the applicable laws, the Articles of Association of the Company and the approval of the shareholders of the Company accorded from time to time.

The NRC shall determine the remuneration to NED including the mode, quantum, recipients of the remuneration and the frequency of payment of such remuneration, and recommend the same to the Board for approval.

The remuneration of NED shall comprise the following:

- a) Remuneration/Commission; and
- b) Sitting fees for attending each meeting of the Board and its Committees.

The remuneration may be fixed as per the terms and conditions mentioned in the letter of appointment and as per the provisions of Companies Act, 2013 as decided by the NRC Committee.

Commission may also be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Companies Act, 2013.

The Non- Executive Directors/Independent Directors may receive fees for attending meetings of Board or Committee thereof. Provided further that for Independent Directors, the sitting fees payable to them shall not be less than the sitting fees payable to other directors.

The remuneration of NED (including revisions thereof) shall be based on certain financial parameters like the performance of the Company, its market capitalization, etc., industry benchmarks, role of the Director and such other relevant factors.

Independent Directors shall not be entitled to any stock option or stock appreciation rights of the Company.

The NRC shall determine the periodicity at which such remuneration shall be reviewed and revised.

The Independent Directors may charge reimbursement of expenses for participation in the Board Meeting and for conducting separate meetings of the Independent Directors.

### **5.3. Remuneration to KMP & SMP**

For appointments to the office of KMP, the NRC shall review the remuneration and recommend the same to the Board for its approval.

The NRC shall review the annual revision in the remuneration of KMP and recommend such revisions to the Board for its approval.

### **5.4. Factors to be considered while determining the remuneration to Directors, KMP**

While determining the remuneration to Directors, KMP and SMP, the NRC shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and SMP to deliver the quality required to run the Company successfully;

## **6. EVALUATION MECHANISM:**

The Board is committed to assessing the performance of the Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board.

The Independent Directors shall review the performance of non-independent directors and the Board as a whole and also review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

The Committee shall carry out evaluation of every director's performance. The Board shall carry out evaluation of its own performance and the performance evaluation of directors including independent directors and the committees of the Board.

The evaluation of the Independent Directors shall also include evaluation of the fulfilment of the independence criteria as specified under the applicable laws and their independence from the Management.

**The Board is responsible for:**

- a) Monitoring and reviewing of the Board Evaluation framework;
- b) Carrying out evaluation of the performance of the Board, its Committees and individual directors, wherein the director subject to evaluation shall not participate; and
- c) Evaluating the fulfilment of independence criteria of the Independent Directors as per the applicable laws and review their independence from the management.

The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

**Meeting of Independent Directors:**

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non- independent Directors and members of the management.

Such meeting shall:

- a) Review the performance of Non-independent Directors and the Board as a whole;
- b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Director(s) and Non-executive Directors;
- c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- d) Discuss such other matters as the Independent Directors may deem fit;

The Independent Directors may call such meeting(s) at any point of time as desired.

**Letter of Appointment to Independent Directors:**

The appointment of Independent Directors shall be formalized through a letter of appointment to be issued by the Company in accordance with the applicable Laws.

**7. AMENDMENTS TO THE POLICY:**

The Board on the recommendations of the NRC reserves the right to modify and/or amend the Policy at any time subject to the provisions of SEBI Listing Regulations and the Companies Act, 2013 and Rules framed thereunder.

**8. PLACEMENT OF THE CODE ON WEBSITE:**

Pursuant to the Act & SEBI Regulations, this code and any amendment thereto shall be posted on the website of the Company.

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## **Policy on Board Diversity**

The Company believes in and embraces the benefit of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in the skills, regional and industry experience, background, gender and other distinctions between Directors.

These distinctions would be considered in determining the optimum composition of the Board and when possible would be balanced appropriately.

At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in context of the knowledge, skills, experience, independence and integrity which are required to make the Board as a whole effective.

In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to discharge its duties and responsibilities effectively.

In identifying suitable candidates for appointment for the Board, the committee will consider candidates on merit against objective criteria and due regard for the benefits of diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

This policy will be reviewed by the NRC as it deems necessary.

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