

NOMINATION AND REMUNERATION COMMITTEE

SCOPE OF THE COMMITTEE

The Committee was constituted in terms of mandatory requirement of Clause 49 of the Listing Agreement entered with Stock Exchanges and the Companies Act, 2013.

The purpose of the Committee is:

- a) to determine/review the company's policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment.
- b) to oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board.
- c) to form policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Schemes (ESOSs) in the Company
- d) to review the Board structure, size and composition and make recommendation for any change

MEMBERSHIP & COMPOSITION

The committee should consist of minimum three non-executive directors and Chairman to be an Independent director in accordance with non-mandatory requirement of Clause 49 of the Listing Agreement.

- (a) **Chairman** - In case the Chairman is not available for the meeting the members present may elect one among them to be the Chairman of the meeting.
- (b) **Invitees** – In addition to the members as mentioned above, any other director may be invited for bringing special knowledge etc. into the discussion. Invitee directors do not have any voting rights but are entitled to sitting fees.
- (c) **Secretary** – The Company Secretary of the Company acts as Co-ordinator and Secretary to the Committee.

ROLE & RESPONSIBILITY

1. To evaluate the performance of Managing Director and Whole-time Directors, if any and their direct reportees including the effectiveness of their functioning after laying down the criteria for measurement of performance and recommend

- Stock Options / Performance Bonus / pension rights / any compensation payment/ severance compensation for them to the Board of Directors.
2. To review and approve revision in the remuneration / increments /incentives to the Managing Director and his direct reportees before implementation.
 3. To form and recommend a policy for payment of remuneration including Stock Options, if applicable, for Non-executive Independent directors, Key Managerial Personnel (KMP) and member of Senior Management team i.e. Core Committee including Functional Heads. KMP here means and includes the Chief Executive Officer or the Managing Director or the Manager, Company Secretary & Chief Financial Officer.
 4. To oversee the framing, review and implementation of compensation policy of the company on behalf of the Board. The policy should cover all aspects of the compensation structure such as fixed pay, variable pay, incentives, perquisites, bonus including milestone bonus, guaranteed pay, severance package, stock, pension plan, gratuity, etc., taking into account the guidelines issued by any authority from time to time.
 5. To ensure that the remuneration payable to Directors, Key Managerial Personnel and members of Senior Management team including functional heads involves a balance between fixed and variable incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal.
 6. To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 7. To work in close coordination with Risk Review Committee of the Company, in order to achieve effective alignment between remuneration and risks.
 8. To ensure that the prescribed disclosure as applicable under Companies Act or any other status are made at appropriate place in annual report/other documents.
 9. To act as a Compensation Committee as prescribed under the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999
 10. To deal with ESOS plan, policy, its administration and superintendence within the Company.

11. To deal with and review Stock Option Schemes applicable to employees of the Company and its subsidiaries.
12. To deal with and review eligibility criteria for granting, vesting and allotment of Employee Stock Options (ESOS) to employees of the company and its subsidiaries, including but not limited to performance appraisal criteria, norms and guidelines.
13. To make recommendations to the Board on matters related to ESOS.
14. To review the Board structure, size and composition and make any recommendations to the Board with regard to any changes deemed necessary;
15. To review the performance of, and recommend if appropriate, directors who are retiring by rotation to be put forward for re-election at the Company's annual general meeting;
16. To evaluate the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required prior to identifying and recommending individuals for nomination as independent or non-independent members of the Board, its committees and in the senior management team;
17. To provide an annual performance evaluation of the members of the Board and consider any succession issues relating to the Board or any of its duly authorised sub-committees;
18. To satisfy itself with regard to succession planning, that the processes and plans are in place with regard to the Board;
19. To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance
20. Formulation of criteria for evaluation of Independent Directors and the Board;
21. To devising a policy on Board diversity.
22. To devise appropriate induction/ familiarization process for the new Directors and senior management persons.

23. Lying down positive attributes for Independent Directors and formulate criteria for determining Independent of Directors

POWERS

1. To deal with ESOS plan, policy, its administration and superintendence within the Company including eligibility criteria norms for grant of stock options to employees of the company and its subsidiaries.
2. To deal with annual performance evaluation of the members of the Board.
3. To deal with Board structure, size and composition and recommend individuals for nomination as independent or non-independent members of the Board, its committees and in the senior management team;
4. To deal with remuneration payable to Directors, Key Managerial Personnel and members of Senior Management team including functional heads and to ensure that there is a balance between fixed and variable incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal.
5. To approve & administer the company's policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment.
6. To deal with implementation of compensation policy of the Company including policy for payment of remuneration including Stock Options, if applicable, for Non-executive Independent Directors, Key Managerial Personnel and member of Senior Management team including functional heads.

PROCEDURE AND QUORUM:

Time and frequency of meetings – In principle, the Committee will meet every quarter or as may be decided from time to time. Members who are not physically present may attend through video / teleconference.

Quorum for meetings - Two members present including those who attend via video conference. Members attending meeting through teleconference are to be excluded for the purpose of Quorum.

Onward Reporting – The Minutes of the each meeting of the Committee shall be circulated within 10 working days to all members for their inputs and also be placed before the Board in subsequent meeting

REFERENCE-

As mandated by:

1. Clause 1 of Section 178 of Companies Act, 2013 and rules made there under.
2. As per non mandatory requirement of clause 49 of the Listing Agreement.

VERSION HISTORY:

Remuneration Committee was constituted on April 1, 2001 & Nomination Committee January 21, 2010