

Annexure - B

Policy on Appointment, Training, Evaluation and Remuneration of Directors and Senior Management Personnel

1 Objective:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to the Appointment, Training, Evaluation and Remuneration of the Directors, Senior Management Personnel, including Key Managerial Personnel,
- (ii) Adopt best practices to manage the affairs of the Company in seamless manner and achieve good corporate governance as well as sustained long-term value creation for stakeholders.

2 Constitution of the Nomination and Remuneration Committee:

The Board has re-constituted the Nomination and Remuneration Committee on May 28, 2015 and has revised its terms of reference in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on February 09, 2016.

3 Definitions:

- (i) Managing Director (MD) means a director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director, by whatever name called.
- (ii) Whole-time Director (WTD) in relation to Company includes a director in whole-time employment of the Company.

- (iii) Non Executive Directors (NED) in relation to Company means a member of a Company's Board of Directors who is not in whole time employment of the Company.
- (iv) Independent Director (ID) in relation to Company shall have the same meaning as defined under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) Key Managerial Personnel (KMP) means:
 - (i) the Chief Executive Officer (CEO) 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); and
 - (v) such other officer as may be prescribed by the Board of Directors from time to time.
- (vi) Senior Management Personnel (SMP) in relation to Company includes all the employees of the Company at Senior Vice-Presidents grade and above.

4 Diversity In The Board Of Directors:

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that each individual is unique. These differences can include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills.

5 Requirements Relating To Directors:

- (i) The Company shall appoint only those persons who possess requisite qualifications & experience and positive attributes within overall framework of diversity and are able to provide policy direction to the Company, including directions on good Corporate Governance. Prior experience of being a CEO, MD, WTD of any company shall be given importance while considering appointment.

(ii) Additional requirement for appointment of Audit Committee member:

- a) He/she should be financially literate and possess the ability to read and understand basic financial statements i.e. Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement.
- b) He/she should have accounting or related financial management expertise. A person will be considered to have accounting or related financial management expertise if he/she possesses experience in finance or accounting or requisite professional certification in accounting, or any other comparable experience or background which results in the financial sophistication.
- c) He /she is or has been CEO/ CFO or other senior officer with financial oversight responsibilities.

(iii) Disqualification:

- (i) Any person to be appointed as Director shall not possess the following disqualifications prescribed in Section 164 (1) of the Companies Act, 2013:
 - (a) He/she shall not be less than 21 years of age.
 - (b) He/she shall not be of unsound mind nor stand so declared by a competent court.
 - (c) He/she shall not be an undischarged insolvent.
 - (d) He/she has not applied to be adjudicated as an insolvent and his/her application is pending.
 - (e) He/she has not been convicted of an offense, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence.

(ii) A person shall however not be appointed as director of the Company, if he is a director in a company which has failed to:

- (a) File Financial Statements or Annual Returns for any continuous period of three financial years;
- (b) Repay deposits or pay interest thereon on due date
- (c) Redeem debentures on due date or pay interest due thereon
- (d) Pay dividend already declared by the said company, and such defaults continue for one year or more.

(iv) Automatic vacation of the office:

A Director shall automatically vacate his office in the following cases:

- (a) He/She attracts any disqualification mentioned herein above;
- (b) He/She absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board of Directors;
- (c) He/She acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested.
- (d) He/She fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

(v) Applicability of Policies:

All persons appointed as Directors of the Company including the MD and the Executive Director(s), KMPs and SMPs shall ensure compliance with the Policies and Procedures adopted by the Company from time to time such as the Code of Conduct for Directors and Senior Management Personnel, the Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Code of Corporate Governance and Ethics or any other Company's policy applicable to them.

6 Appointment of KMPs/ SMPs:

- (i) The appointment of the MD, CEO, WTD, CFO, Manager and the CS shall be approved by the Board of Directors by means of a resolution based on the recommendation of the Nomination and Remuneration Committee considering their positive attributes, qualifications and experience.
- (ii) The appointments of SMP shall be approved by MD on recommendation of the Human Resources Department (HRD).

7 Evaluation of Performance:

- a) The Nomination and Remuneration Committee (NRC) shall carry out the evaluation of performance of every Director as under:
 - Before re-appointment of Executive and non-Executive Directors.
 - At the time of recommendation of any remuneration payable to Executive and Non-Executive Directors or changes therein.
 - At such other time, as the applicable laws or the circumstances may require.
- b) The evaluation of KMPs and SMPs shall be carried out by the Head of Department, if any excluding himself/herself.

The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Industry, the Company and of the individual KMP/SMP

8 Remuneration of NEDs, KMPs and SMPs:

- a) Remuneration to the MD and WTD, if any, shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- b) The NEDs shall be entitled to receive the following within overall limits prescribed in the Companies Act, 2013:
 - Sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.

- Payment of Commission as upto the limits permitted under Section 197 of the Companies Act, 2013 and approved by the shareholders from time to time.
- c) IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- (iv) Remuneration payable to KMPs shall be recommended by NRC considering the evaluation mechanism and guiding principles of remuneration as mentioned in the policy.

Remuneration paid to the SMPs shall be determined by the Head of the Department by considering the evaluation mechanism.

9 DIRECTOR AND OFFICER LIABILITY INSURANCE:

The Company shall provide an insurance cover to Directors, KMPs & SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust shall not be treated as a part of remuneration paid to them.