

## **POLICY ON CRITERIA FOR APPOINTMENT OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL AND EVALUATION OF THEIR PERFORMANCE**

### **APPOINTMENT CRITERIA AND QUALIFICATIONS FOR DIRECTORS**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) Further, any Director who is proposed to be appointed as a member of the Audit Committee shall possess the following additional qualification:
  - All members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

### **CEO/ MANAGING DIRECTOR / WHOLE TIME DIRECTOR/SENIOR MANAGEMENT PERSONNEL – CRITERIA FOR SELECTION /APPOINTMENT**

For the purpose of selection of the CEO, Managing Director / Whole Time Director, the Nomination & Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

### **POSITIVE ATTRIBUTES:**

The person to be appointed as a Director of the Company shall not only possess the relevant formal qualifications and experience but shall also possess attributes like integrity and proven track record and shall demonstrate commitment to the organization. For assessing integrity and suitability features like criminal records, financial position, and civil actions initiated to pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions applied by regulators or similar bodies, previous questionable business practices etc. shall be considered.

Any person to be appointed as Director shall not possess the disqualifications contained in Section 164 (1) of the Companies Act, 2013 viz.:

- He/she shall not be less than 21 years of age.
- He/she shall not be of unsound mind nor stand so declared by a competent court.
- He/she shall not be an un-discharged insolvent.
- He/she has not applied to be adjudicated as an insolvent and his/her application is pending.
- 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.

**REMUNERATION:** The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings.

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014).
- ii. The terms of employment and remuneration of MD, WTD, KMPs and SMPs shall be
- iii. Competitive in order to ensure that the Company can attract and retain competent talent. ii. The remuneration policy shall ensure that :
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/KMPs and SMPs of the quality to run the Company successfully.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration to Directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance and goals set by the Company.

- iv. While determining the remuneration and incentives for the MD/WTD and KMPs, the following shall be considered:
  - a. Pay and employment conditions with peers/elsewhere in the competitive market.
  - b. Benchmarking with industry practices.
  - c. Performance of the individual
  - d. Company performance
- v. The pay structures shall be appropriately aligned across levels in the Company.

**Training and Evaluation:**

- a) The evaluation shall be done in the manner and on the basis of the criteria laid down under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the guidelines as may be issued by the regulatory authorities from time to time.
- b) 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.
- c) Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.
- d) Human Resource Department (HRD) shall be primarily responsible to identify training need for every KMP/SMP and prepare training calendar accordingly.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, 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 said Act, rules and regulations.