

# **SOMA TEXTILES & INDUSTRIES LIMITED**

## **NOMINATION AND REMUNERATION POLICY**

### **1. BACKGROUND**

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff.

### **2. INTRODUCTION**

In pursuance of the Company's Policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the listing agreement (as amended from time to time) this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors.

### **3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company ("Board") has constituted a committee to be known as the **Nomination and Remuneration Committee ("NRC")** in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the applicable Rules framed thereunder and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Committee shall consist of a minimum of three or more Directors, all of whom shall be Non-Executive Directors and not less than one-half of the members of the Committee shall comprise Independent Directors. The Chairperson of the Committee shall be an Independent Director appointed by the Board.

The Board shall have the power to reconstitute, appoint, remove or replace any member of the Committee from time to time in order to comply with the statutory requirements and to ensure effective functioning of the Committee.

### **4. OBJECTIVE & PURPOSE OF THE POLICY**

The Nomination and Remuneration Committee ("NRC") and this Policy are framed in accordance with Section 178 of the Companies Act, 2013 read with the applicable Rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The objective of this Policy is to provide a framework for appointment, remuneration, evaluation and succession planning of Directors, Key Managerial Personnel (“KMP”) and Senior Management Personnel of the Company, and to ensure that remuneration is fair, reasonable, and performance-driven and aligned with the long-term interests of the Company.

The key objectives of the Committee and the Policy are as follows:

- a) To formulate criteria for determining qualifications, positive attributes and independence of Directors;
- b) To recommend to the Board a policy relating to remuneration of Directors, KMPs and Senior Management Personnel;
- c) To formulate criteria for evaluation of the Board, Committees and Independent Directors;
- d) To ensure consistency and transparency in remuneration practices and alignment of remuneration with performance;
- e) To attract, retain, motivate and reward talented personnel;
- f) To develop and review succession plans for the Board and Senior Management; and
- g) To devise a policy on Board diversity.

The Policy also sets out the guiding principles and factors to be considered by the Board and the NRC while determining remuneration and other service conditions of Directors, KMPs and Senior Management Personnel.

## **5. APPLICABILITY**

- a) Directors (Executive and Non-Executive);
- b) Key Managerial Personnel; and
- c) Senior Management Personnel.

## **6. GUIDING PRINCIPLES**

The Policy is based on the following guiding principles:

- a. The level and composition of remuneration shall be fair, reasonable and sufficient to attract, retain and motivate qualified Directors, Key Managerial Personnel and Senior Management Personnel required for the effective management of the Company;
- b. The relationship between remuneration and performance shall be clearly defined and aligned with appropriate performance benchmarks and evaluation criteria;
- c. The remuneration structure shall maintain an appropriate balance between fixed pay and variable (incentive-based) pay, reflecting both short-term and

long-term performance objectives, consistent with the Company's business strategy and goals.

## **7. ROLE OF THE COMMITTEE**

The role of the Nomination and Remuneration Committee ("Committee") shall, inter alia, include the following:

- a. To determine and recommend the remuneration payable to Directors, Key Managerial Personnel and Senior Management Personnel, based on the Company's size, financial position, industry practices, and prevailing remuneration trends in comparable companies, including those in the textile industry;
- b. To evaluate the performance of the Board, its Committees and individual Directors and to provide necessary reports and recommendations to the Board for further deliberation and improvement;
- c. To assist and recommend to the Board in relation to appointment, re-appointment, resignation and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
- d. To identify persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial and Senior Management positions, in accordance with the criteria laid down under this Policy and applicable laws;
- e. To carry out such other functions as may be mandated by the Board from time to time or required under applicable statutory provisions, rules, regulations, notifications, amendments or modifications thereto;
- f. To perform such other duties and responsibilities as may be necessary or incidental for the effective implementation of this Policy and proper functioning of the Committee.

## **8. DEFINITIONS**

- I. **'Board or Board of Directors'** means Board of Directors of the Company.
- II. **'Directors'** means Directors of the Company.
- III. **'Committee'** means Nomination and Remuneration Committee of Board of Directors of the Company, as constituted or reconstituted by the Board, in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Listing Agreement.
- IV. **'Company'** means Soma Textiles & Industries Limited.
- V. **'Employees Stock Option'** means the option given to the Directors, Officers or Employees of a Company or of its Holding Company or Subsidiary Company or Companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

- VI. **‘Independent Director’** means a director referred to in Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Revised Listing Agreement. **‘Independent Director’** shall mean a Non-executive Director other than a Nominee Director of the Company.
- VII. **‘Key Managerial Personnel (KMP)’** means-
- a. Chief Executive Officer or Managing Director or the Manager;
  - b. Whole-time Director;
  - c. Chief Financial Officer;
  - d. Company Secretary;
  - e. Such other officer not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - f. such other officer as may be prescribed;
- VIII. **‘Policy or this Policy’** means, Nomination and Remuneration Policy.
- IX. **‘Remuneration’** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- X. **‘Listing Agreement’** shall mean agreement entered into by the Company with the Stock Exchange on which its shares are listed, containing such terms and conditions that are to be complied with for the continuous listing of its shares on the Stock Exchange, as may be modified or amended from time to time, pursuant to the provisions of the Securities Contract Regulation Act, 1957, as amended from time to time.
- XI. **‘Senior Management’** mean personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **9. MEMBERSHIP**

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- Minimum two (2) members shall constitute a quorum for the Committee Meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

## **10. POLICY IN RELATION TO NOMINATION OF DIRECTORS, KEY MANAGERIAL PERSONS AND SENIOR MANAGEMENT:**

### **10.1 Guiding Principles:**

- (a) The nomination procedure adopted by the Company for identifying and appointing Directors, Key Managerial Personnel and Senior Management , shall be driven by meritocracy and will focus on inducting individuals from diverse backgrounds, having appropriate skills, qualifications, knowledge, expertise or experience, in one or more fields such as engineering, finance, management, business administration, sales, marketing, law, accountancy, research, corporate governance, technical operations, education, community service or any other disciplines connected with the business of the Company.
- (b) The Company seeks to have a management comprising of likeminded personnel, possessing skills which assist the Company in achieving its objectives and aiming for inclusive growth of the Company and the community.
- (c) The Company specifically looks for persons with qualities such as:
  - (i) Professional integrity and honesty;
  - (ii) respect for and strong willingness to imbibe the Company's core values;
  - (iii) ability to act impartially, exercise sound judgment and discharge the fiduciary duties owed by such individuals to the Company;
  - (iv) strategic capability with business vision;
  - (v) entrepreneurial spirit and track record of achievement;
  - (vi) reasonable financial expertise;
  - (vii) have contacts in the fields of business/corporate world/finance/chambers of commerce and industry; and
  - (viii) capability to effectively review and challenge the performance of the management
- (d) With respect to Independent Directors, the management of the Company shall devise and update, as and when required, programs for familiarizing such directors with the Company, its business, their roles, rights and responsibilities in the Company etc.;
- (e) The Company seeks to have diversity on the Board by bringing in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment and mitigation strategy and human resource management in the Company. [The Company will be considerate of succession planning and Board diversity while making appointments of directors on the Board]

### **10.2 Eligibility Criteria:**

10.2.1 **For all Directors:** An individual being considered for being appointed as a Director must fulfill the following eligibility criteria;

- (a) He must be of a sound mind;

- (b) he should neither be an undischarged insolvent nor should he have preferred an application for being adjudicated as an insolvent, which application is pending before any court or authority;
- (c) he must not have been convicted by a court of any offence that makes him incapable of being appointed as a Director under the Companies Act.
- (d) No order disqualifying him from being appointed as a Director of any Company should have been passed by a court or tribunal, or in case such an order has been passed, it must not be in force or be effective as prescribed under the Companies Act;
- (e) He should have paid calls with respect of any shares held by him in the Company, whether alone or jointly and in case such calls have not been paid, a period of 6 months shall not have lapsed from the date such payment is due;
- (f) He should not have been convicted of the offence of dealing with related party transactions under Section 188 of the Companies Act, at any time during the five years, immediately preceding his appointment with the Company and in case such an order has been passed it must not be in effective in accordance with the terms of the Companies Act;
- (g) He must have been allotted a director identification number pursuant to the provision of the Companies Act;
- (h) He must not have been a Director of a company which (i) has not filed financial statements or annual returns for any continuous period of three financial years, or (ii) has failed to repay deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continuous for one year or more, provided that if he has been the Director of such a Company, he shall not be eligible to be re-appointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.

#### 10.2.2 **For a Managing Director, Whole-time Director or Manager:**

In addition to the criteria specified in Clause 10.2.1, an individual being considered for the post of Managing Director, Whole-time Director or a Manager must fulfill the following eligibility requirements:

- (a) He must be a resident of India
- (b) He must have attained the age of 21 years and must not have attained the age of 70 years. However, in case the individual proposed to be appointed has attained the age of 70 years, he may be appointed as the Managing Director, Whole-time Director or Manager if a special resolution is passed to this effect by the Shareholders of the Company.
- (c) He must not have been adjudged as an insolvent at any point in time;
- (d) He must not have suspended payment to or made a composition with his creditors at any point in time;

- (e) He must not have been;
  - (i) Convicted by a court of an offence and sentenced to imprisonment or fine exceeding one thousand rupees, such that it would disentitle him from being appointed as the Managing Director, Whole-time Director or a Manager in terms of the Companies Act, or;
  - (ii) detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974)
- (f) During the tenure that he holds office as the Managing Director, Whole-time Director or a Manager of the Company, he must not hold office in any other Company except in a subsidiary of the Company. However, in case an individual is the Managing Director or Manager of any another Company (other than subsidiary Company), the Board may appoint such an individual as the Managing Director, if his appointment is made in accordance with Section 203 of the Companies Act and such an individual does not draw remuneration exceeding the limits specified in Part II of Schedule V to the Companies Act.

In case an individual does not meet the eligibility criteria mentioned in Clause 10.2 of this Policy [except sub-clause (f)], such an individual may be appointed as the Managing Director, Whole-time Director or a Manager with the approval of the Central Government.

#### 10.2.3 **For independent Directors:**

Pursuant to Section 149 of the Companies Act, and the Listing Agreement, the Company is required to appoint specified number of independent directors. An individual, who is not an Executive Director or a Nominee Director, may be considered for being appointed as an independent director if he meets the following criteria;

- (a) Possesses appropriate skill, experience and knowledge in one or more fields of finance, law, management, sales, marketing administration, research, corporate governance, technical operations or other disciplines related to the Company's business;
- (b) In the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (c) Neither is nor was a promoter of the Company or its holding, subsidiary or associate Company; or
- (d) Is not related to the promoters or Directors of the Company, its holding, subsidiary or associate company;
- (e) apart from receiving director's remuneration, he neither has, nor has had a pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two financial years immediately preceding the year of his appointment or during the current financial year, which would disqualify him from being an independent director under the Companies Act or the Listing Agreement).

- (f) None of his relatives have or have had a pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent, or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed under the Companies Act, whichever is lower, during the two financial years immediately preceding the year of his appointment or during the current financial year;
- (g) Neither himself nor any of his relatives –
  - (i) holds or has held the position of a Key Managerial Personnel in any of the three financial years immediately preceding the year in which he is proposed to be appointed;
  - (ii) is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the year in which he is proposed to be appointed;
  - (iii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of-
    - (A) A firm of auditors or Company Secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    - (B) Any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% (ten per cent) or more of the gross turnover of such firm;
  - (iv) holds together with his relatives 2% (two per cent) or more of the total voting power of the Company; or
  - (v) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent, or more of the total voting power of the Company; or
  - (vi) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (h) Undertakes to abide by the code for independent directors as prescribed in the Companies Act; and
- (i) Possess such other qualifications as may be prescribed under the Companies Act,

#### 10.2.4 **For Key Managerial Personnel and Senior Management:**

Individuals to be appointed as Key Managerial Personnel (other than Managing Director, Manager and Whole-time Director) and Senior Management shall have such qualification, experience and expertise as may be determined by the management in consultation with the Committee, provided that a Whole-time Key Managerial Personnel of the Company shall not hold office in any other company at the same time except:

- i. in its subsidiary; or
- ii. As a Director in other Company, with the permission of the Board.

## **11. APPOINTMENT, TERM AND RETIREMENT/REMOVAL:**

### **11.1 Appointment:**

- (a) All Directors shall be appointed by the Board, based on the recommendations made by the Committee, subject to the prior/post approval of the Shareholders of the Company and/or the Central Government, as may be required under the applicable laws.
- (b) The Company shall issue formal letters of appointment to the independent Directors in a manner provided in the Companies Act.
- (c) A whole-time Key Managerial Personnel of a Company shall be appointed only by a resolution of the Board containing the terms and conditions of the appointment include the remuneration.

### **11.2. Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder 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, subject to the provisions and compliance of the said Act, Rules and Regulations.

### **11.3. Retirement:**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **11.4. Term of Office:**

- (a) No individual shall be appointed as the Managing Director, Whole-time Director or Manager for a term exceeding 5 (Five) years at a time and no re-appointment shall be made earlier than one year before the expiry of his term.
- (b) An independent director shall hold office for a term up to 5 (five) consecutive years and may be re-appointed for another term of 5 (five) consecutive years, by a special resolution of the Members of the Company. An individual who has held office as an independent director for two consecutive terms, shall be eligible for appointment as an independent director of the Company only after expiry of 3 (three) years of him ceasing to hold office as an independent director of the Company, if he has not, during the said period of 3 (three) years been associated with the Company in any other capacity, either directly or indirectly.

- (c) It is clarified that unless otherwise provided in the Companies Act, the term completed by an independent director prior to April 1, 2014 shall not be considered for fulfilling the requirements specified in Clause 11.4(b) above.

## **12. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

### **12.1 Guiding Principles:**

This Policy of the Company aims to attract, retain and motivate professionals; in order to enable the Company to achieve its strategic objectives and develop a strong performance based culture and a competitive environment. This Policy and the compensation structure has been devised after taking into account all relevant factors and giving due regard to the interests of shareholders and the financial and commercial health of the Company.

### **12.2 Board to determine the remuneration:**

The Board while determining the remuneration package of the Directors, Key Managerial Personnel and Senior Management may take into account, all or any of the following:

- (a) The requirement of the Company, specifically in terms of the skill sets required, the qualification of the persons being considered and the long term and short term goals of the Company;
- (b) Interests of the shareholders and the financial and commercial health of the Company;
- (c) Individual performance of the persons being considered;
- (d) Performance of the Company;
- (e) Remuneration packages offered by companies of comparable size in the same business as the Company;
- (f) Remuneration package offered at the same level by companies of comparable size in other businesses; and
- (g) Other relevant factors it deems necessary.

### **12.3 Maximum Threshold:**

Except as otherwise provided under the Companies Act or with the prior approval of the Central Government, the total managerial remuneration payable by the Company, to its Directors (including Managing Director and Whole-time Director) and its Manager in respect of a financial year shall not exceed 11% (eleven per cent) of the net profits of the Company in the relevant financial year, computed in the manner prescribed under the Companies Act. Further, except with the approval of the Company in general meeting:

- (a) The remuneration payable to any one Managing Director; or Whole-time Director or Manager shall not exceed 5% of the net profits of the Company and if there is more than one such Directors, remuneration shall not exceed ten per cent of the net profits to all such Directors and Manager taken together;
- (b) The remuneration payable to Directors who are not Managing Directors nor Whole-time Directors shall not exceed 1% (one per cent) of the net profits of the Company.

#### 12.4 **Manner of payment:**

Remuneration payable to Key Managerial Personnel and Senior Management may be mix of:

- i. fixed components such as salary, perquisites and allowances and
- ii. variable components including commission, based on the individual performance and the performance of the Company, as determined by the Board, provided that the remuneration payable to the Directors shall be subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.

#### 12.5 **Perquisites/allowances:**

The Company may offer perquisites and allowances such as house rent allowance, leave travel concession, medical reimbursement, club membership, personal accident insurance and such other benefits, facilities and allowances, to Directors, Key Managerial Personnel and Senior Management as determined by the Board from time to time.

#### 12.6 **Stock Options:**

The Company may issue stock option to its Directors (other than Independent Directors), Key Managerial Personnel and Senior Management, as it may deem fit.

#### 12.7 **Sitting Fee:**

Non-executive Directors of the Company may be entitled to a sitting fee, as determined by the Board or the Company in accordance with the provisions of the Companies Act. No Executive Director shall be entitled to receive a sitting fee for attending Board meeting of the Company. Sitting fee will not be considered as a part of remuneration for determining the aggregate managerial remuneration being paid to Directors in accordance with this Policy.

#### 12.8 **Remuneration to Non-Executive Directors:**

Non-Executive Directors may receive remuneration by way of:

- i. Sitting Fee,
- ii. reimbursement of expenses for participation in the Board and other meetings;
- iii. profit related commission as may be approved by the shareholders and
- iv. in such other manner as may be permitted under applicable law. An Independent Director shall not be entitled to any stock option.

#### 12.9 **Fee for professional services:**

It is clarified that, the fee payable to a Director for any professional services rendered by him to the Company shall not be considered as a part of the relevant Director's remuneration. Further, payment of such professional fee

shall not require approval of the shareholders, if the Committee is satisfied that the Director possess the relevant qualifications for practicing the profession. Provided however that in case approval of the shareholders is required pursuant to the related party transactions policy of the Company or under the Companies Act (by virtue of such a transaction being considered as a contract or arrangement for availing any services and/or for appointment of a related party to any office or place of profit in the Company), such approval shall be obtained, in accordance with the provisions of the Companies Act or the Listing Agreement.

#### **12.10 Professional Indemnity:**

The Company may take such professional indemnity and liability insurance policy for its Directors. Key Managerial Persons and Senior Management, as the Board may deem fit and the premium paid on such insurance shall not to be treated as part of the remuneration payable to any such personnel, except as otherwise provided under the Companies Act.

#### **12.11 Minimum Remuneration:**

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Part II of Schedule V to the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

#### **12.12 Provisions for excess remuneration:**

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act or without the prior sanction of the Central Government, where required, he/she 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.

### **13. EVALUATION**

The Committee shall review the performance of every Director as per the performance evaluation provided in 'Schedule - A' of this Policy and submit its report to the Board.

#### **Criteria for Evaluation of Independent Director and the Board:**

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

##### **1.) Executive Directors:**

The Executive Directors shall be evaluated on the basis of Targets/ Criteria given to Executive Directors by the Board from time to time.

##### **2.) Non-Executive Directors:**

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e.

Whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence;
- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

14. **FREQUENCY OF MEETINGS:**

The Meeting of the Committee shall be held at such regular intervals as may be required.

15. **COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a Meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

16. **VOTING**

- a) Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

17. **MINUTES OF COMMITTEE MEETING**

Proceedings of all Meetings must be noted and signed by the Chairman of the of the said Meeting or the Chairman of the next succeeding Meeting. Minutes of the Committee Meeting will be tabled at the subsequent Board and Committee Meeting.

18. **DEVIATIONS FROM THIS POLICY:**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

19. **MISCELLANEOUS PROVISIONS:**

19.1 **Interpretation**

Unless the context of this Policy otherwise requires:

- (a) Words using the singular or plural number also include the plural or singular number, respectively;
- (b) Words of any gender are deemed to include the other gender;
- (c) Reference to the word “include” shall be construed without limitation;
- (d) The terms “Clause” refers to the specified clause of this Policy;
- (e) Reference to any legislation or law or to any provision thereof shall include references to any such legislation or law as it may, after the date hereof, from time to time, be amended, supplemented, re-enacted, replaced or superseded, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; and
- (f) The index bold type face, headings and titles are used for convenience of reference only and shall not affect the construction of this Agreement.

19.2 **Applicable laws**

In case the provisions of this Policy are in conflict with the provisions of the applicable law (\*including provisions of the Companies Act or the Listing Agreement) or any interpretation thereof are more beneficial than the provisions of this Policy, the provisions of the applicable law and the relevant interpretation thereof shall supersede the provisions of this Policy and the Company shall be entitled to act in accordance with such provisions of the applicable laws and any interpretation thereof. All actions taken by the Company in accordance with such applicable laws shall be deemed to be in consonance with this Policy.

Schedule "A"

Performance evaluation of Directors

**Part A: Common for all Directors**

Assessment of the following roles/attributes as performed by or observed in the Director whose performance is under evaluation:

Sl. No.	Role/Attribute	Remarks (Y/N)
1	Attendance and participation in meetings of the Board of Directors and of the Board of Committees.	
2	Devoted sufficient time and attention to professional obligations for informed and balanced decision making.	
3	Advising in implementation of good Corporate Governance practices.	
4	Independent in judgment and actions.	
5	Exercised his duties with due and reasonable care, skill and diligence.	
6	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
7	Not engaging in conduct which may not be in the interests of the Company.	
8	Overall Performance	

**Part B: Applicable for Executive Directors**

Accomplishment of following Company goals during the year under review:

Sl. No.	Target	Remarks (Y/N)
1	Achievement of EBIDTA	
2	Compliance of applicable laws/statutory obligations in the functioning of the Company.	
3	Branch Equity	
4	New initiative/expansion/innovation.	
5	Customer satisfaction.	
6	Investor relations.	
7	Talent retention	
8	Awards & Recognitions.	
Overall Performance:		

As approved by the Board of Directors in their meeting held on .....

( \_\_\_\_\_ )  
Chairman and Managing Director