

## **NOMINATION AND REMUNERATION POLICY**

### **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 the Companies Act, 2013 this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

### **OBJECTIVE**

The Nomination and Remuneration Committee Key Objectives shall be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- iii. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vi. To devise a policy on Board diversity.
- vii. To develop a succession plan for the Board and to regularly review the plan;
- viii. To ensure the policy includes the following guiding principles:
  - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
  - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
  - c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **DEFINITIONS**

- i. **'Act'** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. **'Board'** means the Board of Directors of the Company.
- iii. **'Directors'** mean Directors of the Company.
- iv. **'Key Managerial Personnel'** means
  - a) Chief Executive Officer or the Managing Director or the Manager;
  - b) Whole-time Director;
  - c) Chief Financial Officer;
  - d) Company Secretary; and
  - e) Such other officers as may be prescribed.
- v. **'Senior Management'** means personnel of the Company who are members of its core management team excluding the Board of Directors and including the Functional Heads.

- vi. **‘Independent Director’** means a Director referred to in Section 149 (6) of The Companies Act, 2013.
- vii. **‘M&SS’** means Managerial & Superintending Staff of the Company

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

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

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Parijat policies and applicable statutory requirements, if any. At present, the Nomination and Remuneration Committee of the Company comprises of the following members:

- a) Mr. Gautam Mahajan, Chairman, Independent Director
- b) Mr. Savmit Grover, Member, Non Executive Director
- c) Mr. Rajesh Srivastava, Member, Nominee Director

The Company Secretary of the Company shall act as a Secretary of the Committee

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

### **MEETINGS**

- Meeting shall be held atleast twice in a Financial Year
- The quorum for a meeting of the committee shall be one-third of its total strength or two members, whichever is higher.
- Notice, Agenda & accompanying papers of the meeting shall be given in accordance with the provisions of the Companies Act, 2013

The Chairman of the Committee may require any officer of the Company or invite any other person to attend the meetings of the Committee.

- The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions, any /all of its powers to any of the Executive / Whole-time Directors and/or Senior M&SS of the Company, as deemed necessary for proper and expeditious execution.
- The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend the Annual general meetings of the Company.

### **COMMITTEE MEMBERS INTEREST**

- a) A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/ 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

## **APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT - CRITERIA & QUALIFICATION**

The appointment of Director, Key Managerial Personnel and Senior Management will be based on the outcome of strategic planning. The recruitment process for selection to these categories of personnel commences after the approval of manpower requisitions by the appointing authority. Relevant approval of concerned is also obtained as part of the process, as deemed fit depending upon the level of hiring. The Committee shall consider the standards of qualification, expertise and experience of the candidates for appointment as Director, Key Managerial Personnel and Senior Management and accordingly recommend to the Board his/her appointment.

## **REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES:**

- a) The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the Compensation and Benefit policy of the Company as revised through the Annual Salary Review process from time to time.
- b) The Human Resource department will inform the Committee, the requisite details on the proposed increments for every ASR cycle / process including payouts for the variable part (Performance Incentive).
- c) The compensation structure will also be based on the market salary survey. The survey for total remuneration would be commissioned with external consultants. The Basket of Companies will be finalized by HR department after considering all the relevant aspects.
- d) The composition of remuneration so determined by the committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of identified senior management personnel from time to time.

## **SITTING FEES**

The Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Act.

## **POLICY ON BOARD DIVERSITY**

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Registration & Product Development etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have atleast one Board member who has accounting or related financial management expertise.

## **CHANGES AMONGST DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT**

The Committee may recommend to the Board, changes in Board, Key Managerial Personnel or Senior Management Personnel subject to the provisions of the Act and applicable Company's policies i.e., Rules and Regulations of Service and Conduct for M&SS, Code of Business Conduct and Principles of legal compliance framed and adopted by the Company from time to time. The Key Managerial Personnel and

Senior Management Personnel shall superannuate as per the applicable provisions of the regulation and prevailing policy of the Company. The Board of Directors will have the discretion to retain the Key Managerial Personnel and Senior Management Personnel in the same position / remuneration or revised remuneration after attaining the age of superannuation for organizational development reasons.

**AMENDMENTS TO THE NOMINATION AND REMUNERATION POLICY**

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.