

NOMINATION AND REMUNERATION POLICY

Section 178 of the Companies Act, 2013 (“**Act**”) requires the Nomination and Remuneration Committee (“**Committee**”) to recommend a policy for nomination of Directors, KMP, SM who report to the board of directors (“**Board**”) and remuneration of Directors, KMP and SM. This policy has been recommended by the Nomination and Remuneration Committee and adopted by the Board at its meeting held on 9th August, 2014. It will come into effect on 9th August, 2014. The policy harmonises the requirements of the Companies Act, 2013 and the equity listing agreement entered into by the Company with the stock exchanges on which its shares are listed (“**Listing Agreement**”). The Company considers its human resources as its invaluable assets. This policy has been formulated so as to align the aspirations of the employees with the goals of the Company and with a view to provide an overall comprehensive framework to nominate Directors, KMP and SM and pay fair and equitable remuneration to its Directors, KMP and SM.

For the purposes of this policy, the following terms will have the meaning ascribed to them below:

1. “**Director**” shall mean a director pursuant to sub-section (34) of Section-2 of Companies Act, 2013.
2. “**Independent Director**” shall mean an independent director referred to in sub-section (5) of Section 149 of Companies Act, 2013
3. “**Key Managerial Personnel or KMP**” shall mean – (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole-time Director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed in the Act.
4. “**Senior Management or SM**” shall mean those personnel of the Company who are members of its core management team excluding the Board, comprising all members of management one level below the Executive Directors, including the functional heads.

PART A - NOMINATION POLICY

1. Eligibility Criteria for Nomination of Directors

1.1 A Director should:

- comply with the eligibility criteria stipulated in the Articles of Association of the Company and Section 164 of the Act.;
- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and relevant to the role he / she is required to perform;
- possess the highest personal and professional ethics, integrity, values and stature; and

- be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

1.2 A Managing Director or Whole-time Director should in addition to the above:

- fulfil the conditions specified in Section 196 read with Schedule V of the Act.

1.3 An Independent Director should:

- comply with the eligibility criteria stipulated in the Articles of Association of the Company, Section 164 & 149(6) and Schedule IV of the Act and Clause 49 of the Listing Agreement and such other provisions / Act as may be applicable.

2. Eligibility Criteria for Appointment of KMP and SM

2.1 A KMP and SM should:

- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and relevant to the role he / she is required to perform;
- possess the highest personal and professional ethics, integrity and values; and
- devote sufficient time and energy in carrying out his / her duties and responsibilities.

3. Diversity

3.1 The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions among Directors. The Committee will periodically review board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency, operational efficiency and risk management. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and board diversity at the time of nominating Directors. It will be the Committee's endeavour to have Board members from diverse backgrounds/disciplines including the following:

- Accounting;
- Corporate Finance;
- Legal;
- Corporate laws;

- Information Technology
- Business Strategy;
- Engineering and
- Any other background/discipline as deemed necessary by the Committee.

4. Tenure of Directors

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

5. Evaluation Criteria and Mechanism

5.1 The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agree upon. The evaluation criteria may be supplemented, when appropriate, with specific initiatives, projects or professional development objectives.

5.2 The Committee shall carry out evaluation of performance of every Director with a view to increase effectiveness as a governing body as well as participation of the Independent Director on the Board proceedings. The evaluation process shall be led by the Chairman of relevant meeting of the Company who shall be supported by an Independent Director and the Company Secretary for completion of the evaluation process.

6. 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 or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations

PART B – REMUNERATION POLICY

1. Guiding Principles

1.1 The guiding principles of remuneration of the Directors, KMP and SM of the Company are:

- The level and composition of remuneration is competitive, reasonable and aligned to market practices and trends to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company;
- The Remuneration Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that the pay

structures are appropriately aligned and the levels of remuneration remain appropriate in this context.

- The remuneration to Directors, KMP and SM has a fair balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- Quantitative and qualitative assessments of performance are used to make informed judgments to evaluate performances;
- Sufficiently flexible to take into account future changes in industry and compensation practice; and
- The pay takes into account both external market and achievements of Company performance targets to a balanced 'fair' outcome along with strong alignment of interest with Stakeholders.

2. Remuneration to Directors, KMP and SM

A. Remuneration to Executive Directors

- The remuneration and increments thereon to be paid to the Managing Director or Whole-time Directors shall be as per Company's Policy determined in accordance with the conditions laid down in the Act.
- If in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Directors in accordance with the provisions of the Act read with rules made thereunder and Schedule V of the Act.

B. Remuneration to Non-Executive Directors

- The remuneration to be paid to the non-executive Directors shall be determined in accordance with the conditions laid down in the Articles of Association of the Company and as per the Act and Clause 49 of the Listing Agreement.
- The total remuneration of the Non-executive Directors /Independent Directors shall comprise of sitting fee.

They will also be entitled to reimbursement for out-of-pocket expenses. Any deviation from the same shall be recorded in the minutes of the meeting of the Committee with proper justification for the same.

C. Remuneration to KMPs and SMs

The remuneration, compensation, etc. to the KMPs and SMs will be determined by the Company on the basis of discussions with the Committee after taking into account general market practice, evaluation of their respective Key Responsibility Areas, performance of the Company and other relevant factors as prescribed by the Committee from time to time.