

# INSILCO LIMITED

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## NOMINATION AND REMUNERATION POLICY

### Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

### Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of performance of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vi. Identify whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation.

**Effective Date:** The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 14<sup>th</sup> August, 2014.

### Definitions:

- **“Board”**:-Board means Board of Directors of the Company.
- **“Director”**:-Directors means Directors of the Company.
- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

- **“Company”**:- Company means Insilco Limited.
- **“Independent Director”**:- As defined and amended from time to time under the provisions of Companies Act, 2013 and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **“Key Managerial Personnel”**:- As defined and amended from time to time under the provisions of Companies Act, 2013
- **“Senior Management”**:- As defined and amended from time to time under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Applicability:-**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### **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 the Company’s policy and applicable statutory requirement.

#### **General Appointment Criteria:**

- The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as ‘Listing Regulations’) or any other enactment for the time being in force.
- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

#### **Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head ‘Definitions’ and also their appointment shall be governed as per the provisions of Listing Regulations (as amended from time to time ) and Companies Act, 2013.

### **Term / Tenure:**

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

### **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.

### **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 Director:**

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.

## **Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

## **Remuneration**

### **1. Remuneration at the time of Appointment:**

The Nomination and Remuneration Committee will recommend to the Board the remuneration of Directors (executive or non-executive), Key Managerial Personnel and Senior Management. After the approval of Board, such remuneration will be effective.

Approval of Shareholders, if required, will be obtained pursuant to the provisions of the Companies Act, 2013 and/ or Listing Regulations (as may be amended from time to time)

### **2. Annual Increment, Midterm/special increment, promotions, change in designations etc.**

For Directors (executive or non-executive), it will be approved jointly by any one of the Independent Directors and any one of the Non-Independent Directors.

For 'Key Managerial Personnel' and 'Senior Management', it will be approved by Managing Director and Head of Human Resource (HR) of the Company.

Such Annual Increment, Midterm/special increment, promotions, change in designations etc. will be subject to subsequent ratification by the Board of Directors of the Company.

Approval of Shareholders, if required, will be obtained pursuant to the provisions of the Companies Act, 2013 and/ or Listing Regulations (as may be amended from time to time)

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

### **1. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

## **2. Non executive Independent Directors**

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Provided that the amount of such fees shall not exceed the amount as may be prescribed under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Such sitting fee shall be exclusive of any remuneration payable to Non- Executive Independent Director under Section 197(1) of the Companies Act 2013.

## **3. KMPs / Senior Management Personnel**

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

## **4. Other Employees**

The remuneration to be paid to other employees shall be decided and approved by Head of Human Resource department and Managing Director of the Company jointly.

## **5. Directors and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

## **Conformity with the Act/Listing Regulations**

This policy is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations . However, if due to subsequent changes in the Act/Listing Regulations, a particular clause or any part of this policy becomes inconsistent with the Act/Listing Regulations, the provisions of the Act / Listing Regulations shall prevail.

**For Insilco Limited**

Sd/-

**Dara P. Mehta**  
**Chairman of the Board**

Date : 1<sup>st</sup> February 2018

Place : Noida, Uttar Pradesh