

# **Insilco Limited**

*(Under Voluntary Liquidation)*

CIN : L34102UP1988PLC010141

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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:**<sup>1</sup>

1. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
3. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
4. It shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
5. Devising a policy on diversity of board of directors.
6. It shall, while formulating the remuneration policy ensure that –
  - (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;
  - (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.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

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<sup>1</sup> Amended in the Nomination and Remuneration Committee and Board Meeting dated 20<sup>th</sup> May 2019.

8. It shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation for every appointment of independent director, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;
- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard diversity; and
  - c. consider the time commitments of the candidates

**Effective Date:** The following policy has been formulated by the Nomination and Remuneration Committee and was first 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/ re-constitute the Committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement.

### **General Appointment Criteria:**

- i. 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.
- ii. 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.
- iii. 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 prescribed under Listing Regulations and the Companies Act 2013 (as may be amended from time to time).

### **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 and any other criteria as prescribed under the provisions of the Companies Act 2013 and Listing Regulations.

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**

The Nomination and Remuneration Committee will recommend to the Board all remuneration in whatever form payable to 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)

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:

