



GRAVITA INDIA LIMITED

**Nomination and Remuneration Policy
Effective From 24th March 2015**

Nomination and Remuneration Policy

1. Introduction:

In terms of Section 178 of the Companies Act, 2013 and the rules framed thereunder (as amended from time to time) (the “Act”) and SEBI (Listing Obligation and Disclosure Requirements), 2015 as amended from time to time (the “SEBI Listing Regulations”), this policy has been formulated by the Nomination and Remuneration Committee (“Committee”) of the Company and approved by the Board of Directors.

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

2. Role of the Committee:

The role of the Committee shall be:

- 2.1 To 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 the directors, key managerial personnel and other employees;
- 2.2 For every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an Independent Director. Also, to ensure that the person recommended to the Board for appointment as an Independent Director possesses the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required, or consider candidates from a wide range of backgrounds, having due regard to diversity; or consider the time commitments of the candidates.
- 2.3 To formulate the criteria for evaluation of Independent Directors and the Board;
- 2.4 To Identify persons who are qualified to become directors and who may be appointed in senior management of the Company in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- 2.5 To recommend to Board of Directors 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;
- 2.6 To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- 2.7 To 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.
- 2.8 To Devise a policy on Board diversity;
- 2.9 To Develop a succession plan for the Board and to regularly review the plan;
- 2.10 To Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

3. Definitions:

- 3.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 3.2 **Board** means Board of Directors of the Company.
- 3.3 **Company** means “ Gravita India Limited”
- 3.4 **Directors** mean Directors of the Company
- 3.5 **Key Managerial Personnel** means
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer
 - Company Secretary;
 - such other officer(s), not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - Such other officer(s) as may be prescribed

- 3.6 Committee** means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.
- 3.7 Senior Management** shall mean officers and personnel of the listed entity who are members of its core management team, excluding Board of Directors, and shall also comprise all the members of the management one level below the chief executive officer or managing director or whole time director or Manager (including chief executive officer and manager, in case they are not part of the board of directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.
- 3.8 Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations.
- 3.9 Policy** means Nomination and Remuneration policy.
- 3.10 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.

4. Interpretation:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

5. Applicability:

This Policy is applicable to:

- Directors viz. Executive, Non-executive and Independent;
- Key Managerial Personnel;
- Senior Management Personnel;
- Other Employees of the Company.

This Remuneration Policy shall also apply to all future / continuing employment/ engagement(s) with the Company. Any departure from the policy shall be recorded and reasoned in the minutes of Committee and Board meeting.

6. Objective of the Policy:

The policy is framed with the objective(s):

- That 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.
- That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- That 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. Appointment and Removal of Director, KMP and Senior Management:

7.1 Appointment Criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Directors including Independent Directors and KMPs should meet the requirements/criteria, if any, as prescribed/may be prescribed under the provisions of the Companies Act, 2013, from time to time. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- The Company shall not appoint or continue the employment of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect. Further, the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. The compliance with the same shall be ensured at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy-five years
- Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Act, read with Schedule IV and Rules thereunder and SEBI (LODR Regulations), 2015 as amended from time to time

7.2 Term/ Tenure:

➤ Managing Director/Whole-time Director/Manager (Managerial Person)/ Independent Director:

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

➤ Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

7.3 Removal:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules, regulations made thereunder or SEBI Listing 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.

7.4 Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act, 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 subject to compliance of relevant provisions of the Act and the Rules, wherever applicable.

8. Matters relating to the remuneration, perquisites etc. for the Whole-time Director, KMP and Senior Management Personnel etc.

8.1 Remuneration to the Whole Time Director/Managing Director:

- The Remuneration/ Commission/Performance Incentive etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors in accordance with the provision of the Companies Act, 2013 and Listing Regulations.

8.2 Remuneration to Non- Executive/ Independent Director:

Sitting Fees:

The Non-executive/ Independent Directors of the Company may be paid sitting fees, if any, as per the applicable Regulations and provisions of the Companies Act, 2013 or any other enactment for the time being in force. Further no sitting fee shall be paid to Executive Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company Provided that the amount of such fees shall not exceed the amount as prescribed in Companies Act, 2013 and shall always be subject to the provisions of the Companies Act, 2013 and the SEBI Regulations, 2015.

Profit Linked Commission:

The profit –linked Commission shall be paid as per applicable provisions of the Companies Act and listing Regulations.

Stock Options:

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

8.3 Remuneration to Senior Management Personnel, Key Managerial Personnel and Other Employees:

The Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee. The Remuneration may consist of Fixed and Flexible Pay, Performance Based Incentive, Stock Options or in any other form as per HR Policies of the company.

8.4 Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act, and if it is not able to comply with such provisions, with the prior approval of the Central Government.**8.5 Provisions for excess remuneration:** If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the 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.**9. Amendments to the policy**

The Board of Directors on its own and/ or as per the recommendations of Committee can amend this policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

