

**TIRUPATI REELS PRIVATE LIMITED**

**NOMINATION AND REMUNERATION POLICY**

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## **NOMINATION AND REMUNERATION POLICY**

### **Purpose:**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC" or the "Committee") and has been approved by the Board of Directors on October 12, 2022 and the same shall become effective from October 12, 2022.

### **Accountabilities:**

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

### **Definitions:**

- A. **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;
- B. **Key Managerial Personnel**" means:
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole- time Director;
  - ii. Company Secretary
  - iii. Chief Financial Officer;
  - iv. Such other officer as may be prescribed.
- C. **"Senior Managerial Personnel"** mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

### **Objective:**

As required under the provisions of Section 178 of the Companies Act, 2013 and as amended from time to time a Board level committee shall be constituted titled Nomination and Remuneration Committee.

The Nomination and Remuneration Committee shall ensure that:

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 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; and
- 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.

**Role of the Committee:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior
- Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and
- Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing implementation of the same.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- 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.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

**POLICY FOR APPOINTMENT OF DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

**Nomination Criteria for Directors:** In identifying and recommending the candidature for appointment as Director, the Committee will consider any or all of the following criteria:

1. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, ability to bring exercise of independent judgment and judicious thinking, qualification, expertise as strategist, eminence in his field of expertise.
2. Possessing appropriate skills, experience and knowledge in one or more fields of Business including International Business, Strategy and Expansion, Engineering, Medicine, finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to preferably the company's business.
3. Non-disqualified under the applicable provisions of Companies Act, 2013, rules made thereunder or any other enactment for the time being in force, as the case may be;
4. Ensure that the proposed Director consents to act as Director and can devote his time and energies towards the overall development and betterment of the Company's business.
5. Ensure that the proposed Director discloses his interest and Company's shareholding, if any and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
6. Ensure that the candidature of the Director will be in line with and promote the objectives enshrined in Company's policy on Board Diversity.

**Additional Criteria for Appointment of Independent Directors:** The Committee will consider whether the Director meets the criteria of Independence as well as other attributes as mentioned under the provisions of Section 149 of the Companies Act, 2013 read with applicable rules and Schedule IV thereunder including any amendments made thereof from time to time.

**Nomination Criteria for KMPs / Senior Management personnel:** The committee will consider:

1. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, qualification, expertise and experience.
2. Possessing adequate qualification, expertise and experience as prescribed by the Company for the position he / she is considered for appointment. The Committee for this purpose, if required, will avail the assistance of other top executives of the Company but however, has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. Ensure that the person discloses his interest and the Committee feels that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
4. Ensure that the Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who is below the age of Twenty- one years or has attained the age of seventy years without the approval of shareholders by passing a special resolution with proper justification.

**Additional Responsibility of the Board:** It is further to be noticed that it is the responsibility of the Board to obtain other relevant and applicable approvals and procedures as laid down under the provisions of the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force and applicable as the case may be.

#### **Term / Tenure, Continuity and Renewal:**

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. The terms of KMPs and other Senior Management employees shall be governed under their respective terms of appointment. As regards the continuity or renewal of appointment of Directors; their resignation and removal, the Committee will make its recommendations to the Board, based on the periodical evaluation process to be done under this document from time to time as well as subject to observation of provisions as contemplated under the Companies Act, 2013 and other applicable laws relating to disqualifications, resignation, removal and retirement. Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company respectively. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

#### **1. Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission 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.
- b) 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.

## **2. Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

## **3. Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### **MATTERS PERTAINING TO EVALUATION:**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, internal code of conduct and policies formulated by the Company for its internal execution. Therefore, it is necessary for the company to carry out the evaluation of all the directors on an annual basis. As regards the

evaluation process; Companies Act, 2013 contain broad provisions on Board Evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The provisions also specify responsibilities of various persons / committees for conduct of such evaluation.

As Companies Act, 2013 lays down following criteria for evaluation of independent directors and board as a whole.

**Evaluation of Independent Directors:** The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

**Disclosure requirements:**

- a. This policy shall be displayed on the website of the Company.
- b. The salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.
- c. A statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be included in the report by Board of Directors placed in the general meeting.

**SUBJECT OF EVALUATION**

As required under Companies Act 2013, the evaluation of the Board involves multiple levels:

1. Board as a whole
2. Committees of the Board
3. Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent directors, etc.)

The Nomination and Remuneration Committee shall formulate the criteria for Evaluation of Independent Directors and Board as a Whole on the basis of this NRC Policy and as per Companies Act, 2013.

**REVIEW AND AMENDMENT**

- The NRC or the Board may review the Policy as and when it deems necessary;
- The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary;
- This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Company Secretary/Compliance Officer where there are any statutory changes necessitating the change in the policy.