



INDIAN EXTRACTIONS LIMITED

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NOMINATION AND REMUNERATION POLICY

1. **OBJECTIVE:**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

2. **DEFINITIONS**

- (i) "**Act**" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- (ii) "**Board**" means Board of Directors of the Company.
- (iii) "**Company**" means Indian Extractions Limited.
- (iv) "**Directors**" mean Directors of the Company.
- (v) "**Key Managerial Personnel**" (KMP) means
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time Director;
 - Chief Financial Officer;
 - Company Secretary; and
 - such other officer as may be prescribed.
- (vi) "**Senior Management**" means personnel of the Company who are members of its core management team excluding the Board of Directors but includes Functional Heads.

3. **ROLE OF COMMITTEE**

- (i) Formulate the criteria for determining qualifications, experience criteria, positive attributes and independence of a Director.
- (ii) Identify and recommend persons who are qualified to become Director or who may be appointed as Key Managerial Personnel or Senior Management positions in accordance with the criteria laid down in this policy.
- (iii) Evaluate the performance of the Board as a whole and also individual Director.
- (iv) Evaluate the performance of KMP and determine their compensation.
- (v) Review performance and compensation of senior management.
- (vi) Recommend to the Board for the appointment or removal of any Director, KMP or Senior Management Personnel.

4. **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

(i) **Appointment criteria and qualifications:**

- The Committee shall identify, assess and ascertain the integrity, qualification, expertise, other criteria and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board for such appointments.
- The Committee at its own discretion decides and recommends whether qualification, expertise, other criteria and experience possessed by a person is adequate and satisfactory for his or her appointment at a suitable position as a Director, KMP or at Senior Management level with defining role and responsibilities for such appointments.
- The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director or 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 prior approval of the shareholders by passing a special resolution for which necessary explanatory statement to be attached with the notice for passing such special resolution indicating the justification for extension of appointment beyond seventy years.

(ii) **Term / Tenure:**

- **Managing Director and Whole-time Director or Manager:** The Company shall not appoint or re-appoint any person as its Executive Chairman, Managing Director and Whole-Time Director or Manager and Executive Director for a term exceeding five years at a time. No such re-appointment shall be made earlier than one year before the expiry of term.
- **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 by passing of a special resolution by the Company, Necessary disclosures to be made in the Board of Director's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for such 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 or such other number as may be prescribed under the Act.

(iii) **Evaluation**

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals preferably on an annual basis. .
- The Committee shall recommend removal of any Director, KMP or Senior Management Personnel on account of any reasons for disqualifications mentioned under the Act or otherwise. The Committee may recommends, to the Board together with reasons recorded in writing for removal of any Director, KMP or Senior Management Personnel and such removal shall be subject to the provisions and compliance under the Act.

(iv) **Retirement**

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act in accordance with the prevailing policy of the Company. Subject to necessary compliances under the Act together with prevailing policy of the Company, the Committee shall at its own discretion recommends to retain such retiring Director, KMP, Senior Management Personnel in the same position and on such terms and conditions in line with the policy of the Company.

5. **POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE-TIME DIRECTOR OR MANAGER, KMP AND SENIOR MANAGEMENT PERSONNEL:**

(i) **General:**

- The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director or Manager, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for their approvals. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, as the case may be applicable. .
- The remuneration and commission to be paid to the Managing Director and Whole-time Director or Manager shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in case of Managing Director and Whole-time Director or Manager.
- Where any insurance is taken by the Company on behalf of its Managing Director and Whole-time Director or Manager, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(ii) **Remuneration to Managing Director /Whole-time Director or Manager / Executive Director, KMP and Senior Management Personnel:**

- **Fixed pay:** The Managing Director, Whole-time Director or Manager, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and the same shall be subject to necessary approvals by the shareholders and/or Central Government, as the case may be required.
- **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director or Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, the same shall be paid with the previous approval of the Central Government.
- **Provisions for excess remuneration:** If any Managing Director and Whole-time Director or Manager 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 excess sum to the Company and until such sum is refunded, hold the same under the trust for and on behalf of the Company. The Company shall not waive recovery of such excess sum refundable to it unless permitted by the Central Government.

(iii) **Remuneration to Non- Executive / Independent Director:**

- **Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- **Commission:** Commission may be paid within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

- **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

6. **MEMBERSHIP**

- (i) The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent Directors.
- (ii) Minimum Two (2) members shall constitute a quorum for the Committee meeting.
- (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) Term of the Committee shall be continued unless terminated by the Board of Directors.

7. **CHAIRPERSON**

- (i) Chairperson of the Committee shall be an Independent Director.
- (ii) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (iii) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- (iv) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. **FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

9. **COMMITTEE MEMBERS' INTERESTS**

- (i) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (ii) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. **SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

11. **VOTING**

- (i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be decision of the Committee.

- (ii) In the case of equality of votes, the Chairman of the meeting shall have a casting vote.

12. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- (i) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- (iii) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (iv) Determining the appropriate size, diversity and composition of the Board;
- (v) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (vi) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- (vii) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- (viii) Making recommendations to the Board concerning any matters relating to the continuation in the office by any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- (ix) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (x) Recommend any necessary changes to the Board; and
- (xi) Considering any other matters, as may be requested by the Board.

13. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- (i) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- (ii) to approve the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- (iii) to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- (iv) to consider any other matters as may be requested by the Board.
- (v) Professional indemnity and liability insurance for Directors and senior management.

14. **MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings shall be recorded in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**BY THE ORDER OF THE BOARD
FOR INDIAN EXTRACTIONS LIMITED**

**SD/-
PRIYAM SHANTILAL JHAVERI
CHAIRMAN & MANAGING DIRECTOR**
