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**FIITJEE LIMITED****NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Committee of FIITJEE Limited (“the Company”) was constituted on 30<sup>th</sup> March, 2015, in accordance with provisions of section 178 of the Companies Act, 2013 and rules made thereunder.

**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. The Key Objectives of the Committee would be:

- 1.1 To 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 carry out evaluation of every director’s performance.
- 1.2 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 for the directors, key managerial personnel and other employees.

**2. DEFINITIONS:**

- 2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Nomination and Remuneration Committee shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 2.5. Key Managerial Personnel: Key Managerial Personnel means—
  - (i) Chief Executive Officer or the managing director or the manager;
  - (ii) Company secretary,
  - (iii) whole-time director;
  - (iv) Chief Financial Officer; and
  - (v) such other officer as may be prescribed.
- 2.6 Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would

also include all members of management one level below the executive directors including all functional heads.

### **3. GUIDING PRINCIPLES:**

The Policy ensures that

- 3.1. 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;
- 3.2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and ;
- 3.3. 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.

### **4. ROLE OF COMMITTEE**

#### **4.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.**

The Committee shall:

##### **Terms of Reference:**

- 4.1.1 To determine Remuneration Policy of the Company.
- 4.1.2 To develop strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the employees.
- 4.1.3. To recommend to the Board the remuneration payable to the Managing Director(s), Whole Time Director(s) and other Directors and a Manager and their relatives engaged in the employment of the Company.
- 4.1.4 To frame policies and compensation including salaries, incentives, bonuses, promotion, benefits, stock options, and performance targets for executives of the Company.
- 4.1.5. To perform such other functions as may be delegated by the Board from time to time.

#### **4.2. Policy for appointment and removal of Director, KMP and Senior Management**

##### **4.2.1. Appointment criteria and qualifications**

- a) 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.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide

whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director 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.

#### **4.2.2. Term / Tenure**

a) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) 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, 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.

#### **4.2.3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) on the basis of following points:

- Roles and Responsibilities;
- Participation in Board and Committee meetings;
- Compliance of code of Conduct;
- Such other point board of directors may consider necessary.

#### **4.2.4. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **4.2.5. Retirement**

The Director, KMP and Senior Management Personnel 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 Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:

##### **4.3.1. General:**

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director 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.

c) 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 the case of Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, 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.

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**4.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

a) Fixed pay: The Whole-time Director/ 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/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration: If any Whole-time Director 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.

**4.3.3. Remuneration to Non- Executive / Independent Director:**

a) 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.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. However the Board of Directors may from time to time determine the sitting fees, from time to time.

Provided that the Board amount of such fees shall not exceed Rs. 100,000/- ( Rupees One Lac Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

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

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## **5. MEMBERSHIP**

5.1 The Committee shall consist of minimum 4 directors out of which not less than one-half shall be independent directors.

5.2 Minimum (2 or 1/3<sup>rd</sup> whichever is higher) members shall constitute a quorum for the Committee meeting.

5.3 Membership of the Committee shall be disclosed in the Annual Report.

5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

## **6. CHAIRPERSON**

6.1 The members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

6.2 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.

6.3 The chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

## **7. COMMITTEE MEMBERS' INTERESTS**

7.1 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.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **8. VOTING**

8.1 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 a decision of the Committee.

8.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **9. NOMINATION DUTIES**

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

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- 9.1 Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
  - 9.2 Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
  - 9.3 Determining the appropriate size, diversity and composition of the Board;
  - 9.4 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
  - 9.5 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
  - 9.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
  - 9.7 Making recommendations to the Board concerning any matters relating to the continuation in office of 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.
  - 9.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
    - Recommend any necessary changes to the Board;
    - Considering any other matters as may be requested by the Board.

## **10. REMUNERATION DUTIES**

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

- 10.1 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.
- 10.2 To approve the remuneration of the Senior Management including key managerial personnel 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.

10.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.

10.4 To consider any other matters as may be requested by the Board.

10.5 Professional indemnity and liability insurance for Directors and senior management.

## **11. DIVERSITY**

11.1 The nature of our business necessitates a focus on diversity and inclusion. Our diversity programs embrace employees of different gender, age, nationality, and physical ability. We follow a multipronged approach to promote diversity and inclusivity within the organization and review our efforts periodically. As an equal opportunity employer, we promote a culture of meritocracy.

11.2 Our employees represent diverse backgrounds and skills. We have created a number of employee resource groups that address the needs of our diverse workforce, including community participation, networking, cultural enrichment and support based on affinity, ability, and gender. These resource groups conduct programs and initiatives such as peer-to-peer forums, leader speak series, conferences, special events, and celebrations to ensure continuous engagement with our diverse workforce

## **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

## **13. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

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