



*NOMINATION & REMUNERATION COMMITTEE  
TERMS OF REFERENCE*

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## **1. NAME/PURPOSE**

The Committee shall be named as Nomination and Remuneration Committee (the Committee) and shall assist the Board in framing remuneration policy which enable a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry. In the discharge of its functions, the committee shall exercise the power and responsibilities vested on it under the Companies Act, 2013 and any re-enactment thereof.

## **2. CONSTITUTION**

- 2.1 The Committee shall be comprised of a minimum of three (3) non-executive director of the Board, out of which not less than two directors shall be independent director;  
Provided that chairman of the Company may be appointed as member of the committee but shall not chair the committee.  
The existing remuneration committee shall be reconstituted as per clause 2.1 on or before 31<sup>st</sup> March, 2015;
- 2.2 The Committee shall be appointed by resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board;
- 2.3 Where a vacancy occurs at any time in the membership of the Committee, it shall be filled by the Board;
- 2.4 The Committee shall appoint a Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among members present;
- 2.5 The Chair presiding at any meeting of the Committee shall have a vote in matters considered by the Committee. In the event of tie, the motion is defeated;
- 2.6 The Chairman of the Committee shall be present at the Annual General Meeting;
- 2.7 The Secretary to the Board shall act as Secretary to the Committee;
- 2.8 The Committee shall assist with deliberations required for the fulfilment of the Board's mandate and those specific responsibilities and duties assigned to the Committee; however unless specifically stated otherwise, the Committee shall act in advisory capacity only, recommending decisions to the Board for approval.

### **3 MEETINGS**

- 3.1 The Committee shall meet minimum two (2) times in a year , preferably half yearly in such a manner that not more than 180 days shall intervene between two consecutive meeting of the committee;
- 3.2 A meeting of the Committee may be called by the chair of the committee, the chair of the Board or by any two members of the Committee;
- 3.3 A quorum for meeting shall be one third of its total strength or 2 directors whichever is higher and participation of the directors by video conferencing or by other audio visual means shall be counted for the purpose of quorum;
- 3.4 A meeting of the committee shall be called by giving not less than 7 days' notice in writing to every member.

### **4 DUTIES & RESPONSIBILITIES**

The Committee shall have the following duties & responsibilities:

- 4.1 To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- 4.2 To formulate a remuneration policy relating to the remuneration for the directors, key managerial personnel and other employees;
- 4.3 The remuneration policy shall ensure that :
  - 4.3.1 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;
  - 4.3.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - 4.3.3 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
- 4.4 To identify persons who are qualified to become directors;
- 4.5 To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- 4.6 To review and determine the terms of service agreements of the executive directors;
- 4.7 To carry out evaluation of every director's performance.

## **5 POWER**

5.1 To appoint independent consultants for advice on specific aspects of Directors' remuneration.

## **6 MINUTES AND REPORTING**

6.1 An outline of material proceedings and deliberations addressed by the committee, and all recommendations, decisions and directives of the committee shall be recorded by the secretary in the minutes of the meeting;

6.2 The minutes of the meeting shall be prepared and signed in the manner provided in the Companies Act, 2013 for minutes of board meeting;

6.3 Approved minutes shall be placed before the Board for confirmation.

## **7 SUPPORT TO THE COMMITTEE**

7.1 The Committee shall identify through office of the Company Secretary or designate, the kind and frequency of information required by the committee

7.2 The Committee shall have the authority to retain external advisors, experts or consultants, in order to properly discharge its duties and obligations;