



MAYUR UNIQUOTERS LIMITED

## NOMINATION AND REMUNERATION POLICY OF MAYUR UNIQUOTERS LIMITED

### 1. Introduction

The Nomination & Remuneration Policy (“**Policy**”) of Mayur Uniquoters Limited (“**Mayur**” or “**Company**”) is formulated under the Companies Act, 2013 (“**Act**”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”) and other applicable laws (hereinafter referred to as “**Relevant laws**”).

### 2. Objective and Purpose

The objectives and purpose of this Policy are:

- 2.1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Whole-Time/Non-Executive/Independent), Key Managerial Personnel (“**KMP**”) and Senior Management of the Company;
- 2.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; and
- 2.3. To recommend policy relating to the remuneration of the Directors, Key Managerial Personnel (“**KMP**”) and Senior Management to the Board of Directors of the Company (“**Board**”).

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the whole-time Directors, evaluating their performance in light of those goals and objectives and either as a Committee or together with the other Independent Directors (as directed by the Board), determine and approve whole-time Directors’ compensation based on this evaluation making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

### 3. Responsibility of Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is responsible for:

- 3.1 Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, with the objective to diversify the Board.
- 3.2 Recommending to the Board on the selection of individuals nominated for Directorship, “Key Managerial Personnel” and “Senior Management Personnel.”



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- 3.3 Making recommendations to the Board on the remuneration payable to the Directors, “Key Managerial Personnel” and “Senior Management Personnel.
- 3.4 Assessing the independence of Independent Directors.
- 3.5 Such other key issues/matters as may be referred by the Board or as may be necessary in view of the “Listing Regulations” and provision of the Companies Act 2013 and Rules thereunder.
- 3.6 To make recommendations to the Board concerning any matters relating to the continuation in office of any Director, “Key Managerial Personnel” and “Senior Management Personnel” 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.
- 3.7 Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 3.8 To devise a policy on Board diversity.
- 3.9 To develop a succession plan for the Board and to regularly review the plan.

**4. Constitution of the Nomination and Remuneration Committee (NRC)**

- 4.1. The Board has constituted the “Nomination and Remuneration Committee”. The Nomination and Remuneration Policy is in line with the requirements of the Act and Listing Regulations and it is an integral to the functioning of the Nomination and Remuneration Committee. The Board has authority to reconstitute this Committee from time to time.

The Nomination and Remuneration Committee comprises of the following;

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being Independent.
  - b) The Chairperson of the Committee shall be an Independent Director.
  - c) One third members or Minimum two (2) members shall constitute a quorum for the Committee meeting which including at least one independent Director in attendance.
  - d) Membership of the Committee shall be disclosed in the Annual Report.
  - e) Term of the Committee shall be continued unless terminated by the Board of Directors.
- 4.2. Periodicity of Meeting  
The Nomination and Remuneration Committee shall meet at least once in a Financial Year.

**Definitions**

- a. ‘Board’ means Board of Directors of the Company.
- b. ‘Directors’ means Directors of the Company.



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- c. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. 'Company' means Mayur Uniquoters Limited.
- e. 'Independent Director' means a Director referred to in Section 149(6) Act and Rules made therein and Listing Regulations.
- f. 'Secretary' means the Company Secretary of the Company and shall act as secretary of the Committee.
- g. KMP means following people, which includes people identified by the Company under provisions of the Act.
  - i) the Managing Director or Chief Executive Officer or manager;
  - ii) Whole-time Director;
  - iii) the Company Secretary;
  - iv) the Chief Financial Officer; and
  - v) Any other person as defined under the Act from time to time.
- h. "Senior Management" means the officers and personnel of the Company who are members of its core management team, excluding the 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 Company Secretary and the Chief Financial Officer."

## **5. General**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board; Part – B covers the appointment and removal of Directors, KMP and Senior Management; and Part – C covers remuneration for Directors, KMP and Senior Management

### **Part – A**

#### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee ("NRC")**

The following matters shall be dealt with by the Committee: -

- (a) Size and composition of the Board:  
Periodically reviewing the size and composition of the Board to have an appropriate mix of executive non-executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, knowledge and experience in the best interests of the Company;
- (b) Directors:  
Formulate the criteria determining qualifications, positive attributes of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.



(c) Succession plans:

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

(d) Evaluation of performance:

- (i) Make recommendations to the Board on appropriate performance criteria for the Directors.
- (ii) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- (iii) Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

(e) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- a. Remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the Chairperson (if non-executive), including any additional fees payable for membership of Board Committees;
- c. The remuneration and remuneration policies for KMP and Senior Management including base pay, incentives payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to:
  - (i) attract and motivate talent to pursue the Company's long term growth;
  - (ii) demonstrate a clear relationship between executive compensation and performance;
  - (iii) be reasonable and fair, having regard to best governance practices and legal requirements and
  - (iv) balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals.
- d. the Company's incentive compensation and equity based plans including a consideration of performance thresholds and regulatory and market requirements.

**PART – B**

**Policy for appointment and removal of Directors, KMP and Senior Management**

**(a) Appointment criteria and qualifications**

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board for the appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.



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2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for Director and KMP is not debarred from holding the office pursuant to any SEBI order or any Government Authority.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. For every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended for such role shall meet the description.
5. For the purpose of identifying suitable candidates, the Committee may;
  - a. use the services of an external agencies, if required
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity and
  - c. consider the time commitments of the candidates.
6. The Company shall appoint or continue the employment of a person as Managing Director /Whole-Time Director and Non-Executive Director who has not attained the maximum age of retirement as prescribed under relevant laws.

**(b) Term / Tenure**

1. Managing Director / Whole-time Director  
The Company shall appoint or re-appoint any person as its Managing Director and CEO or whole-time Director as per the relevant laws.
2. Non-Executive Director  
Non-executive director's office is subject to retirement by rotation at the Annual general meeting in the manner as specified under relevant laws.
3. Independent Director  
An Independent Director shall be appointed / re-appointed in the manner as specified under the Act and Listing Regulations.

**(c) Removal**

Due to reasons for any disqualification mentioned in the Act and Rules made thereunder or under any other applicable Act, Rules and 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.

**(d) Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.



**PART – C**

**Policy relating to the remuneration for Directors, KMP and Senior Management**

**(a) General**

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management 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.
5. The Nomination and Remuneration Committee may delegate the authority for increase in remuneration (annual increment) of SMP to the Managing Director or Executive Director of the Company.

**(b) Remuneration to KMP and Senior Management**

The Remuneration for KMP and Senior Management has been designed around three primary pay components: Base/Fixed Pay, Variable Pay and Performance Bonus, if required. These three components together constitute the “Total Rewards” of the KMP and Senior Management.

1. **Base/ Fixed pay:** It is guaranteed pay and paid periodically, usually monthly or bi-monthly or as per payroll of the Company.
2. **Variable Pay/ Perquisites:** While designing the compensation arrangements it should be ensured that there is a proper balance between fixed pay and variable pay/ perquisites.
3. **Performance Bonus:** Bonus payable on the achievement of objective and quantifiable key performance indicators (KPI).

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay.

**(c) Remuneration to other employees**

The compensation for other employees would be as per the policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer or Managing Director, in consultation with the Head- HR.



**(d) Minimum remuneration to Whole-time Directors**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its whole-time Directors in accordance with the provisions of Schedule V of the Act.

**(e) Remuneration/ Sitting Fees to Non-Executive / Independent Directors**

Non-Executive Directors may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof provided that the amount of such fees shall not exceed rupees one lakh per meeting of the Board or Committee or any such amount as may be prescribed by the Central Government and Applicable Laws from time to time and approved by the Board. The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under Applicable Laws for payment of sitting fees without approval of the Central Government.

**Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company**

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the “Listing Regulations” and Companies Act, 2013.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities
- Competency, Experience and Qualifications of Directors
- Regularity, Frequency, Logistics, Agenda and discussions at Meeting and recording of Minutes
- Grievance redressal for Investors, stakeholder value, conflict of Interest
- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management’s succession plan
- effective meetings, committees and independence of committee from Board
- assuring appropriate board size, composition, structure
- clearly defining roles & monitoring activities of committees
- review of corporation’s ethical conduct, Corporate culture
- availability, commitment, contribution, integrity and impartiality.
- independence and independent views and judgement of Independent Directors.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.



The Executive Directors/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion. The evaluation of Independent directors shall be done on the basis of performance of the Directors and fulfillment of the independence criteria as specified in the “Listing Regulations” and their independence from the management.

#### **6. Policy review**

- (a) This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- (b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- (c) This policy shall be reviewed by the Nomination and Remuneration Committee, periodically.

Any changes or modification to this policy as recommended by the Committee would be placed before the Board of Directors for their approval.

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