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BANCO PRODUCTS (INDIA) LIMITED

NOMINATION AND REMUNERATION POLICY



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The Nomination and Remuneration Committee has been constituted in compliance with applicable provisions of the Companies Act, 2013, read with Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

1. Objective:

The Key Objectives of this policy are:

1.1 To recommend to the Board of Directors on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management.

1.2 To provide for criteria for Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The Board of Directors (the "Board") of the Company has adopted the Policy at their meeting. The details of the original adoption and subsequent amendments, if any are mentioned in the table provided at the beginning of this Policy.

2. Definitions:

2.1 "The Act" means the Companies Act, 2013 read with rules framed there under, as amended from time to time.

2.2 "The Board of Director" or "the Board" means the Board of Directors of the Company, as constituted from time to time.

2.3 "Directors" mean Directors of the Company.

2.4 "Key Managerial Personnel (KMP)" means

(a) Managing Director, Chief Executive Officer or Manager and in their absence, a Whole-time Director;

(b) Chief Financial Officer and

(c) Company Secretary.

2.5 "Senior Management" means personnel of the Company who are members of its core management team (except Directors) including all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director shall specifically include company secretary and chief financial officer.

Any term(s) not defined in the Policy shall have the same meaning as assigned to such term(s) in the Act and/ or the under the Listing Regulations or any other applicable law or regulation.

3. Policy for appointment and removal of Director, KMP and Senior Management:

3.1 Appointment criteria and qualifications

a) A person who is proposed to be appointed as Director of the Company should be eligible to be appointed as Director and must hold Director Identification Number issued by the Central Government and possess such qualification, expertise and experience as prescribed under the Act.

b) KMP or Senior Management personnel shall have adequate qualification, expertise and experience in the relevant field for which the appointment is proposed to be made.

c) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3.2 Term / Tenure

a) Managing Director/Whole-time Director (Managerial Personnel):

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

b) Independent Director:



The term and tenure of Independent Directors, their appointment / Re-appointment and their Maximum Directorship shall be as prescribed under the provisions of the Act, read with Rules made thereunder and the Listing Regulations, as applicable and amended from time to time.

3.3 Evaluation

The Board and Committee shall carry out evaluation of performance of Board, its Committees and individual Directors in terms the provisions of the Act, read with Rules made thereunder and under the Listing Regulations, as applicable and amended from time to time.

3.5 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. However, the Company 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. Policy on Board Diversity

The Board should be comprised of Directors having expertise in different areas/fields like Financial, Legal, Engineering, Investment, Management or as may be considered appropriate. Board diversity should be considered from various aspects like gender, age, educational background, professional experience skills, knowledge etc.

5. Remuneration Policy:

Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees

5.1 General

a) The remuneration/ compensation/ commission etc. to the Managerial Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company and other requisite authorities wherever required.

b) Where any insurance is taken by the Company on behalf of its Managerial Personnel, 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.

5.2 Remuneration to Managerial Personnel, KMP, Senior Management Personnel and Other Employees:

a) Fixed pay

The Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, other non-monetary benefits etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and other requisite authorities, wherever required.

b) Variable Pay

The Managerial Personnel shall be eligible to a performance linked incentives as may be determined by the Board from time to time.

c) Commission



The Managerial Personnel may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any Managerial Personnel of the Board.

d) Minimum Remuneration

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

e) Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. However, the Company may waive recovery of such sum subject to requisite approvals, if any.

f) The remuneration to Company Secretary, Senior Management Personnel and other employees shall be governed by the HR Policy of the Company and as recommended by the Committee.

5.3 Remuneration to Non- Executive/ Independent Director:

a) Remuneration

The remuneration shall be in accordance with the provisions of the Act.

b) Sitting Fees

The Non- Executive / Independent Director may receive fees for attending meetings of the Company. Provided that the amount of such fees shall not exceed Rs. 1 lakh per meeting of the Board or Committee or such amount as may be prescribed under the Act. Additionally the Non-Executive Directors shall be reimbursed traveling and incidental expenses incurred for attending the meeting.

c) Commission

Commission may be paid in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to sitting fees and reimbursement of expenses for participating in the Board/Committee Meetings of the Company.

d) Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

6. Disclosures:

The Company shall disclose this Policy on its website.

7. Role of the Committee:

The Role and duties and constitution etc. of the Committee shall be in terms the provisions of the Act, Rules made thereunder and under the Listing Regulations, as applicable and amended from time to time.

8. Amendment:

The Board shall have the power to amend any of the provisions of this Policy, by way of insertion substitution of a clause or the replacement by new policy or otherwise.

For Banco Products (India) Limited

Sd/-
Director