

KRITI INDUSTRIES (INDIA) LIMITED

NOMINATION AND REMUNERATION POLICY

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Nomination and Remuneration Policy

1. Introduction

In terms of Section 178 and other applicable provisions of the Companies Act 2013 and Rules made there under, and, Regulation 19 and other applicable provisions of the “Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015” {hereinafter referred as SEBI (LODR) Regulations 2015} read with Part D of the Schedule II to SEBI (LODR) Regulations 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

2. Objectives

The objectives of the Policy are to comply with the provisions of Section 178 and other applicable provisions of the Companies Act 2013 and Rules made thereunder, and, Regulation 19 and other applicable provisions of the SEBI (LODR) Regulations, 2015 read with Part D of the Schedule II to the SEBI (LODR) Regulations 2015

3. Definitions

‘Act’ means Companies Act, 2013 and Rules made thereunder.

“Board” means Board of Directors of the Company.

“Committee” means the Nomination and Remuneration Committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or such other Rules / Regulations, as may be notified by SEBI, from time to time.

“Company” means Kriti Industries (India) Limited.

“Independent Director” means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Act and the SEBI (LODR) Regulations, 2015.

“Key Managerial Personnel” means Key managerial personnel as defined under the Act and includes:

- (i) the Chief Executive Officer or the managing director or the manager
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer;
- (v) Such other officer, not more than one level below the directors who is in whole time employment, designated as the key managerial personnel by the board; and
- (vi) such other officer as may be prescribed.

“Policy” means Nomination and Remuneration Policy.

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

4. Functions of Committee:

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

- (a) 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 specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (b) To recommend to the Board a policy on various matters including following:
 - (i) determining qualifications, positive attributes and independence of a director;
 - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management;
 - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (v) 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.
 - (vi) Performance evaluation of Independent Directors and the Board.
 - (vii) Board diversity.
 - (viii) All remuneration, in whatever form, payable to senior management.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorised by the Chairperson in this behalf shall attend the general meetings of the Company.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

5. Membership

- (i) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

Provided that 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.

- (ii) The quorum shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- (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.

6. 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.

7. Frequency of Meeting

The nomination and remuneration committee shall meet at least once in a year.

8. Secretary

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

9. Minutes of Committee Meeting

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

10. Policy for appointment, removal and retirement of Director, KMP and Senior Management

(A) Appointment criteria and qualifications

- (i) 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.
- (ii) 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 are sufficient / satisfactory for the concerned position.
- (iii) The Committee shall, after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, recommend to the Board of Directors, time to time, any proposed changes to the Board to complement the Company's corporate strategy and Board diversity.

(B) 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.

(C) 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.

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

(A) General:

- (i)** The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, Banks or Public Financial Institution, wherever required.
- (ii)** 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 provisions of the Act.
- (iii)** Term / Tenure of the Directors shall be as per the provisions of the Act.

(B) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

(i) Fixed pay:

Subject to the applicable provisions of the Act, the Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board. 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 and approved by the shareholders wherever required.

(ii) Variable pay:

Subject to the applicable provisions of Act, the Whole-time Director/ KMP and Senior Management Personnel shall be eligible for variable pay based on the achievement of the target set for the individual as well as the Company, as per the prevailing policy of the Company.

(iii) 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 to the Act.

(iv) 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, 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.

(C) Remuneration to Non- Executive / Independent Director:

(i) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

(ii) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

(iii) Commission:

Commission may be paid within the monetary limit approved by Board of Directors or Shareholders as per the applicable provisions of the Act.

Provided that the amount of such Commission shall be decided by the Board and subject to the limit as provided in the Act.

12. Amendments

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 and (ii) further guidelines and enactments by the Securities and Exchange Board of India.

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