

# **NOCIL LIMITED**

## **REMUNERATION POLICY**

**Approved by Board of Directors on 25.03.2015**

**Amended by Board of Directors on 29.06.2022**

**Amended by Board of Directors on 17.05.2022**

# **NOCIL Limited**

## **Remuneration Policy**

The Board of Directors of NOCIL Limited (“the Company”) constituted the Remuneration Committee in their meeting held on 29<sup>th</sup> July, 2005. In terms of the provisions of the Companies Act, 2013, the Board in their meeting held on 30<sup>th</sup> April, 2014, renamed the Committee as “Nomination and Remuneration Committee” consisting of three (3) Independent Non-Executive Directors.

The Policy is amended pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the amendments made thereto. [“SEBI (LODR) Regulations” ] as amended from time to time.

### **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 and Regulation 19 of SEBI LODR Regulations , as amended from time to time . The Key Objectives of the Committee would be:

- 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 the Board their appointment as Independent Directors, Non-Executive Directors, Executive Directors, Key Managerial Personnel (KMPs) and Officers of Senior Management who are entrusted with the responsibilities for the achievement of strategic goals and operational performance of the Company.
- To formulate criteria for evaluation of the performance of the members of the Board, KMPs on a periodical basis as determined by the Board from

time to time and submit their report to the Board in terms of the directions given by the Board from time to time.

- To recommend to the Board on Remuneration payable to the Directors, KMPs and Officers of the Senior Management from time to time.
- To identify, retain, motivate and promote talent and to issue necessary guidelines to the Management of the Company to pursue the said objective.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and periodically review the same.
- To specify the manner of manner of effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance

## **2. DEFINITIONS**

- **Act** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- **Board** means Board of Directors of the Company
- **Directors** mean Directors of the Company.
- **Key Managerial Personnel (KMP)** means :
  - Chief Executive Officer or the Managing Director or the Manager;

- Executive / Whole-time director;
- Chief Financial Officer;
- Company Secretary;
- Such other officer( a) One level below the directors (b) who is nominated by the NRC and by the Board and
- Such other officer as may be prescribed.

**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.

### **3. ROLE OF COMMITTEE**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attitude and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees.
- For every appointment of an independent director, the Nomination and Remuneration Committee 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 to the Board for appointment as an independent director shall have the capabilities identified in such description. 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

- Recommend to the Board, on any appointment of Director, KMP and Senior Management Officers.
- Formulation of criteria for evaluation of Independent Directors and the Board
- The Committee shall also formulate the requirements from time to time with regard to the termination with regard to the above positions.
- The committee will ensure that necessary compliance to the SEBI LODR /Companies Act, 2013 or such other regulations as may be applicable from time to time will be followed by the Company.

#### **4. Removal of Directors/KMP/Officers**

In exceptional circumstances, due to reason of 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, KMPs or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **5. Retirement of Directors/KMP/Officers**

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, KMPs, Senior Management Personnel in the same position/

remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **6. REMUNERATION FOR THE KMPs AND SENIOR MANAGEMENT PERSONNEL**

### **General:**

- a)** The remuneration / compensation / commission etc. to the KMPs 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 Managing / Executive / Whole-time Director shall be in accordance with the provisions of the Act.
- c)** Provisions for excess remuneration:

If any Managing / Executive / 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 requisite approval, where required, the Committee shall ensure that refund of such sums to the Company expeditiously. The Committee shall not waive recovery of such sum refundable to the Company unless approved by the Company by special resolution within two years from the date the sum becomes refundable .

**d) Stock Options**

Stock Options may be granted to eligible Managing / Executive Director / KMPs / Sr. Management as may be applicable as per SEBI (ESOS) Guidelines or SEBI (Share Based Employee Benefit) Regulations, 2014.

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

**a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the approval of the Board of Directors, Members of the Company and as per the provisions of 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. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such other higher 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 as approved by the Members/Shareholders and within the maximum limit of the applicable provisions of the Companies Act prevailing from time to time.

**d) Stock Options:**

The Committee shall ensure that all restrictive clauses of the stock options scheme are complied with from time to time with regard to grant of stock options to all Non- Executive Directors.

**7. MEMBERSHIP**

- The Committee shall consist of a minimum 3 non-executive directors and at least two third of them being independent directors.
- The quorum for the Committee meeting shall be either 2 members or one -third of the Members, whichever is greater, including at least one Independent Director in attendance or quorum as may be prescribed from time to time by the Regulatory Authorities.
- Membership of the Committee shall be disclosed in the Annual Report.

**8. CHAIRPERSON**

- Chairperson of the Committee shall be an Independent Director unless otherwise permitted by the provisions of the Companies Act or SEBI LODR rules from time to time.
- The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- The Committee shall strive that the Chairperson of the Nomination and Remuneration Committee meeting be present at the Annual General



Meeting or may nominate some other member to answer the shareholders' queries.

#### **9. POWERS OF THE BOARD**

The Board shall have power and discretion to accept or reject all or any of the Recommendations of the Committee

#### **10. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at least once in a year.

#### **11. MINUTES OF COMMITTEE MEETING**

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

#### **Amendment**

Save and except the Policy may be reviewed so as to fall in line with the relevant changes / amendments in the provisions of the Companies Act, 2013 and the Rules framed thereunder.