



# NOMINATION AND REMUNERATION POLICY

## **1. Introduction:**

In terms of Section 178 of the Companies Act, 2013, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of RSPL Ltd has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal of the Directors, Key Managerial Personnel and Senior Management. It shall specify the manner for effective evaluation of performance of Board, its committees and individual directors from time to time. The evaluation would be carried out by the Nomination and Remuneration Committee (NRC), however it could also be carried out either by the Board, or by an independent external agency and NRC shall review its implementation and compliance there of.

## **2. Definitions:**

In this policy unless the context otherwise requires the Act means The Companies Act, 2013 and rules made there under, as amended from time to time.

b) Company means RSPL Ltd.

c) Board means Board of Directors of RSPL Ltd.

d) Independent Director means a Director referred to in Section 149 (6) of The Companies Act, 2013

e) Committee means Nomination and Remuneration Committee (NRC) of the Company as constituted by the Board from time to time.

g) Key Managerial Personnel or KMP means Managing Director, Joint Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary and such other persons who may be deemed to be KMP under the Companies Act, 2013 and as amended from time to time

h) Senior Management Personnel means personnel of the Company comprising of all members of management one level below the executive directors including the functional heads. The designation and categories of such Personnel will be determined by the Company based on the functional and reporting structure.

i) SL means Salary Level.

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

### **3. Constitution of the Nomination and Remuneration Committee:**

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with RSPL policies and applicable statutory requirements. At present, the Nomination and Remuneration Committee of the Company comprises of the following members:

- a) Shri Rajinder Pal Singh, Chairman, and Non Executive Independent Director
- b) Shri Jagan Nath Gupta, Non Executive and Independent Director
- c) Ms. Renuka Gulati, Non Executive and Independent Director

The Committee was formed on 20<sup>th</sup> March, 2015 and re-constituted on 15<sup>th</sup> March, 2016

Membership of the Committee shall be disclosed in the Annual Report of the Company.

The policy shall be disclosed in the Board Report of the Company or alternatively it can also be placed on the website of the company and the salient features of the policy and changes therein from time to time along with the web address of the policy shall be disclosed in the Board's Report.

The terms of the Committee shall be continued unless terminated by the Board of Directors.

### **4. Key objectives of the Committee:**

- a) To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management;
- b) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation;
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- d) To develop a succession plan for the Board and to regularly review the plan;
- e) To determine remuneration based on Company's financial position, trends and practices on remuneration prevailing in the industry;
- f) To retain, motivate and promote talent and to ensure long term sustainability of Senior Management talent including KMPs and create competitive advantage;

g) It shall also specify the manner for effective evaluation of performance of Board, its committees and individual directors from time to time. The evaluation would be carried out by the Nomination and Remuneration Committee (NRC), however it could also be carried out either by the Board, or by an independent external agency and NRC shall review its implementation and compliance there of

g) it may consider any other matters as may be requested by the Board.

### **5. Meetings:**

The meeting of the Committee shall be held at regular intervals as deemed fit and appropriate. The Company Secretary of the Company shall act as the Secretary of the Committee.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions, as deemed necessary for proper and expeditious execution. The Chairman of the Committee or in his absence any other member of the Committee authorized by him on this behalf shall attend general meetings of the Company.

### **6. Committee members interest:**

a) A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

### **7. Effective Date:**

This policy is effective from 20.03.2015 and is amended upto date keeping in view of any amendment in Companies Act 2013 or rules, notifications, circulars etc framed there under and notified from time to time.

### **8. Appointment of Director, Key Managerial Personnel & Senior Management - Criteria & Qualification:**

The appointment of Director, Key Managerial Personnel and Senior Management will be based on the outcome of strategic planning. The recruitment process for selection to KMP and Senior Management commences after the approval of manpower requisitions by the appointing authority depending upon the salary level. Relevant approval of concerned is also obtained as part of the process, as deemed fit depending upon the level of hiring.

The Committee shall consider the standards of qualification, expertise and experience of the candidates for appointment as Director, Key Managerial Personnel and Senior Management and accordingly recommend to the Board his/her appointment.

### **9. Remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other employees:**

- a) The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the HR/Compensation and Benefit policy of the Company as revised or updated from time to time.
- b) The Human Resource department will inform the Committee, the requisite details on the proposed increments based on performance of the Directors/KMP/ Senior Management.
- c) The compensation structure will also be based on the market salary survey. The survey for total remuneration would be commissioned with external consultants. The Basket of Companies will be finalized by HR department after considering all the relevant aspects.
- d) The composition of remuneration so determined by the committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks.

The Committee may review remuneration of identified senior management personnel from time to time.

- e) Remuneration to Non-Executive & Independent Directors:

#### Sitting Fees

The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of the Act.

### **10. Policy on Board diversity:**

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Corporate Strategy, Planning, Sales, Advertising and Marketing. etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to age and educational background, professional experience, business management, skills and knowledge. The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast one woman director.

The Board members have a strong hold on all the business verticals of the Group who collectively contribute towards the growth of the business of the Company and the group.

### **11. Changes amongst Directors, Key Managerial Personnel & Senior Management:**

The Committee may recommend to the Board, changes in Board, Key Managerial Personnel or Senior Management.

Personnel subject to the provisions of the Act and applicable Company's policies i.e., Code of Business Conduct and Principles of legal compliance framed and adopted by the Company from time to time.

### **12. Amendments to the Nomination and Remuneration Policy:**

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.