

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

NOMINATION & REMUNERATION POLICY

In accordance with the provisions of the Companies Act, 2013 (2013 Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the Board had constituted the Nomination and Remuneration Committee (“the Committee) on 2nd August, 2014.

1. OBJECTIVE AND APPLICABILITY OF THE POLICY

The Key Objectives of the Policy is to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) 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.

The Policy shall come into effect from April 1, 2019.

2. DEFINITIONS

- a. "2013 Act" means the Companies Act, 2013.
- b. “Board of Directors” or “Board” or means the collective body of the Directors of the Company.
- c. “Chief Executive Officer” (CEO) means Chief Executive Officer as defined under Section 2(18) of 2013 Act.
- d. “Chief Financial Officer” (CFO) means Chief Financial Officer as defined under Section 2(19) of 2013 Act.
- e. “Company Secretary” (CS) means a Company Secretary as defined in Section 2(24) of 2013 Act.

- f. **"Director"** means a director appointed to the Board of a Company
- g. **"Executive Director"** means a whole time director as defined in clause (94) of section 2 of 2013 Act
- h. **"Managing Director"** means a Managing Director as defined in Section 2(54) of 2013 Act.
- i. **"Manager"** means a Manager as defined in Section 2(53) of 2013 Act.
- j. **Key Managerial Personnel:** Key Managerial Personnel means-
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Company Secretary;
 - iii. Chief Financial Officer;
 - iv. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - iv. such other officer as may be prescribed.
- k. **"Senior Management"** shall mean officers / personnel of the listed entity who are members of its core management team excluding Board of Directors and 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 include Company Secretary and Chief Financial Officer.
- l. **"Whole-Time Director"** ('WTD') means a Whole-Time Director as defined in section 2(94) of 2013 Act

All capitalized terms used in this Policy but not defined herein shall have the meaning ascribed to such term in 2013 Act and the Rules framed thereunder or in the LODR Regulations, as amended from time to time.

3. ROLE OF THE COMMITTEE

The role of the Committee, *inter alia*, will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board on policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- c) formulation of criteria for evaluation of performance of independent directors and the board of directors.
- d) to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director 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.
- f) identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- g) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) recommend to the Board, all remuneration, in whatever form, payable to senior management.
- i) 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.
- j) determining the appropriate size, diversity and composition of the Board and to devise a policy on Board diversity
- k) to assist the Board in ensuring that succession plans are in place for appointment to the Board.
- l) ensuring that there is an appropriate induction & training programme in place for new Directors and reviewing its effectiveness;

4. REMUNERATION TO NON-EXECUTIVE DIRECTORS ('NED')
(i.e. Independent Directors & Non-Independent Non-Executive Directors)

- a. The NED's may be paid sitting fees and as per the limits prescribed under the 2013 Act and rules framed thereunder for attending meeting of the Board and Committee thereof. NED's may also be paid profit related commission.
- b. The Quantum of sitting fees and commission to be paid to the NED's will be recommended by the Committee and approved by the Board.

- c. In addition to the sitting fees and commission (as the case may be), the Company may pay to the NED's such fair and reasonable expenditure, as may have been incurred by them on behalf of the Company while performing his/her role as a Director of the Company.
- d. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

5. REMUNERATION TO MANAGING DIRECTOR / WHOLE-TIME DIRECTOR)

- a. The Managing Director /Whole-time Director will be paid basic salary allowance perquisites and benefits in alignment with regulatory requirements as per the provisions of 2013 Act and Rules made thereunder.
- b. The Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors
- c. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the required quality of professionals

6. REMUNERATION TO KEY MANAGERIAL PERSONNAL & SENIOR MANAGEMENT

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and variable pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Fixed pay may include monthly remuneration, employer's contribution to provident fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c. The variable pay may be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

7. COMPOSITION

The Committee shall consist of a minimum 3 non-executive directors, of which at least 50% shall be independent directors. Composition of the Committee shall be disclosed in the annual report.

8. QUORUM

The quorum for a meeting of the Committee shall be either 2 members or 1/3rd of the total strength of the Committee, whichever is greater, including at least 1 independent director in attendance.

9. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Committee may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

10. FREQUENCY OF MEETINGS

The nomination and remuneration Committee shall meet at least once in a year. The meeting of the Committee shall be held at such regular intervals as may be required.

11. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or 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.

12. SECRETARY

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

13. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

14. MINUTES OF COMMITTEE MEETING

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

15. AMENDMENTS

The Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company

Sd/-
(PRADEEP R. MAFATLAL)
CHAIRMAN