

**STANROSE MAFATLAL
INVESTMENTS AND FINANCE LIMITED**

Nomination and Remuneration Policy

The Board of Directors of Stanrose Mafatlal Investments and Finance Limited (“the Company”) constituted the Nomination and Remuneration Committee (“the Committee”) at their Meeting held on 2nd August, 2014 with immediate effect, consisting of three Non-Executive Directors of whom majority are Independent Directors. The Committee had framed Nomination and Remuneration Policy (“the Policy”) and recommended to the Board in accordance with the requirements of the Companies Act, 2013 and the Listing Agreement. The Board had approved and adopted the Policy w.e.f. 1st November, 2014. Due to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 coming into force w.e.f. 1st December, 2015 in place of the Listing Agreement, it is necessary to frame a fresh Policy accordingly.

1. OBJECTIVE

The Committee and the Policy is in compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Employees.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board (as and when required).
- c) to recommend to the Board, Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

(a) 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; and
- iv) Such other officers as may be prescribed.

(b) Senior Management:

Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors. This will also include all the members of management one level below the executive directors including all functional heads.

3. MEMBERSHIP

- a) The Committee shall consist of minimum 3 non-executive directors, out of whom not less than one half shall be independent.
- b) Minimum two (2) members of whom one must be Independent Director, shall constitute the quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

4. CHAIRPERSON

- a) Chairperson 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 Chairperson of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairperson of the Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries, if any.

5. ROLE OF COMMITTEE

a) NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a) To identify persons who are qualified (i) to become directors and (ii) for appointment in Senior Management Cadre.

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- b) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board the appointment and removal of Senior Management Employees
- d) To carry out evaluation of Directors' performance and recommend to the Board, their appointment/removal/suspension based on his/her performance
- e) To recommend the Board, a policy relating to remuneration for Directors, Key Managerial Personnel and other Senior Management employees
- f) To devise a policy on Board diversity;
- g) Ensure that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and review its effectiveness;
- h) Ensure that on appointment on the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- i) Determine the appropriate size, diversity and composition of the Board;
- j) Set a formal and transparent procedure for selecting new Directors on the Board;
- k) Develop a succession plan for the Board and Senior Management and regularly reviewing the plan;
- l) Delegate any of its powers to one or more of its members;
- m) Recommend necessary changes to the Board.
- n) Consider any other matters as may be requested by the Board.

b) REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate with regard to the remuneration of the members of the Board.

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- to approve the remuneration of the Directors, Senior Management including key managerial personnel of the Company, maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members.
- to consider any other matters as may be requested by the Board;

6. BOARD DIVERSITY

- a) The Board shall consist of such number of Directors, including atleast one woman Director and not less than fifty percent of the Board of Directors comprising of non-executive directors, as is necessary to effectively manage the Company of its size.
- b) When the Chairperson of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the Company does not have a regular non-executive Chairperson or in case the regular non-executive Chairperson is a promoter of the Company, at least half of the Board should comprise of independent directors.
- c) The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity of the Board.
- d) Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

8. 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.

9. 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 case of equality of votes, the Chairman of the meeting will have a casting vote.

10. MINUTES OF COMMITTEE MEETING

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

Draft approved by Nomination and Remuneration Committee at its Meeting held on February 12, 2016 and recommended to the Board for its adoption.

(F. M. PARDIWALLA)
CHAIRMAN

NOMINATION AND REMUNERATION COMMITTEE

Approved by the Board at its Meeting held on February 12, 2016

(P. R. MAFATLAL)
CHAIRMAN