

## **VIZAG GENERAL CARGO BERTH PRIVATE IMITED**

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### **NOMINATION & REMUNERATION POLICY**

Document Name	<b>Nomination &amp; Remuneration Policy</b>
Company	<b>Vizag General Cargo Berth Private Limited</b>

# VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

## NOMINATION AND REMUNERATION POLICY

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### NOMINATION POLICY

#### 1. Introduction

In line with the best practices and the governance philosophy, the Company has formed a Nomination & Remuneration Committee. The purpose of charter is to document the objectives, responsibilities, and administration of the Nominations & Remuneration Committee which are delegated to the Committee by the Board of Directors.

#### 2. Objective

The Nomination & Remuneration Committee is to establish the principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares a proposal for the Board of Directors' decision.

#### 3. Definitions:

- a) **Board** means Board of Directors of the Company.
- b) **Committee** means the Nomination & Remuneration Committee
- c) **Directors** means Directors of the Company.
- d) **Independent Director** means as provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013
- e) **Key Managerial Personnel (KMP)** means:-
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole Time Director;
  - Chief Financial Officer;
  - Company Secretary; and
  - Such other officer as may be prescribed
- f) **Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors and including Functional Heads, viz., the Executive Committee (EXCO) of the Company/

#### 4. Membership

The membership of the Committee shall consists of at least three non-executive directors, each of whom shall be independent and at least half shall be independent. Chairman of the Committee shall be an Independent Director.

#### 5. Responsibilities of the Committee:

The Nomination & Remuneration Committee shall:

- a) Assist the Board in identifying, interviewing and recruiting candidates including criteria for the independence evaluation of the Board of Directors;
- b) Annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of members of the organisation
- c) Review, at least once a year, the independence of the members of the Board of Directors;
- d) Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.
- e) Review the framework and processes for motivating and rewarding performance at all levels of the organization; the resulting compensation awards, and make appropriate proposals for Board approval. In particular, recommending all forms of compensation to be granted to Directors, senior management and other employees of the Company.
- f) Review of the Company's Share Based Employee Benefit Scheme(s), if any, including overseeing the administration of the Scheme(s), formulating the necessary terms and conditions for such Scheme(s) like quantum of options/rights to be granted, terms of vesting, grant options/rights to eligible employees, in consultation with management; and allotment shares/other securities when options/rights are exercised etc. and recommend changes as may be necessary.
- g) Regularly review and make recommendations about changes to the charter of the Nominations Committee;

## **6. Board Diversity:**

The Committee in their nomination process and while making recommendations to the Board shall endeavour to have an optimum combination of directors from different fields/walks such as Management, Legal, Finance, Marketing, Human Resources, Bureaucracy, Public Policy etc. and adequate representation of Women directors on the Board.

## **7. Evaluation Criteria:**

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment.

## **REMUNERATION POLICY**

The Committee will recommend the remuneration/compensation/commission etc. to be paid to the Directors to the Board for their approval. The same shall be subject to the approval of the shareholders of the Company and the Central Government, wherever required.

**Guiding Principles** of the Executive compensation program are:

- **Alignment with Business Strategy and Level of Responsibility & Impact:** As employees progress to higher levels in the organisation, their performance has a greater direct impact on the strategic initiatives and business results.
- **Fixed/ Base Salary Decisions:** The Executives' fixed salary shall be competitive and based upon the industry practice and benchmarks considering the skill & knowledge, experience and job responsibilities
- **Pay-for-Performance:** A large portion of each Executive's total compensation is linked to the achievement of Company and individual performance goals. Such variable compensation is "at risk", and rewards performance and contributions to both short-term and long-term financial performance of the Company.
  - **Performance Bonus Plan:** The Performance Bonus Plan rewards contribution to the achievement of the Company's annual financial, strategic and operational goals and individual KRAs. The Performance Bonus drives high performance culture to achieve the organisation's objectives by differentiating rewards based on performance. The performance will be related to the fulfillment of various targets and attainment of business objectives, both at the Company and individual level.
  - **Long Term Incentives:** Executives' compensation is linked to long-term stock price appreciation, and shareholder value creation through the Company's Long-term Incentives (LTI) plan. The LTI Plan balances Executives' performance orientation and decisions to deliver on the short-term business outcomes with the long-term performance of the Company, both on financial and non-financial parameters.
- **Competitive in Market place:** We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent.

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

#### **a) Yearly Fee/ Commission:**

The yearly fee/ commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profits of the Company as per the applicable provisions of the Companies Act, 2013.

#### **b) Sitting Fees**

The Non-Executive Director/Independent Director may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Stock Options**

An Independent Director shall not be entitled to any stock options of the Company.

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.