



# **Kiri Industries Limited**

**(CIN: L24231GJ1998PLC034094)**

## ***(Nomination and Remuneration Policy)***

***(In compliance as per Companies Act, 2013 and Clause 49 of the Listing Agreement)***

***(As reviewed by Nomination and Remuneration Committee and approved by the Board at its meeting held on 11<sup>th</sup> August, 2014)***

## **1. Introduction**

In accordance with the provisions section 178 of the Companies Act, 2013 ("**the Act**"), other applicable provisions of the Act, and in compliance of the applicable clauses of the Listing Agreement the Board of Directors of the Company at its meeting held on 11<sup>th</sup> August, 2014 had re-named "Remuneration Committee" as "**Nomination and Remuneration Committee**".

### **❖ Constitution on 05.03.2007**

The Nomination and Remuneration Committee ("the Committee") of Kiri Industries Limited ("**KIL**" / "**the Company**") was constituted by the Board of Directors ("**the Board**") of the Company at their meeting held on 5<sup>th</sup> March, 2007. At that time the constitution of the said committee was as per following:

Mr. Bipin Patel, Chairman-Independent Director, Mr. Keyoor Bakshi and Mr. Yamal Vyas, Independent Director of the said Committee.

### **❖ Reconstitutions**

The said committee had been reconstituted on 24<sup>th</sup> May, 2008, 17<sup>th</sup> November, 2008, 8<sup>th</sup> December, 2008, 26<sup>th</sup> April, 2010, 14<sup>th</sup> November, 2011, 14<sup>th</sup> August, 2012 and 29<sup>th</sup> October, 2013.

### **❖ Existing Committee**

In compliance of the provisions of section 178 of the Act, other applicable provisions of the Act, the (Companies Meetings of Board and its Powers), Rules 2014 and subject to modification(s) / re-enactment(s) from time to time and in compliance of the applicable clauses of the Listing Agreement, the company shall set up a Nomination and Remuneration Committee which shall comprise at least three directors, all of whom shall be Non-Executive Directors and at least half shall be Independent Directors. Chairman of the committee shall be an Independent Director.

At Present, constitution of the Committee in line with clause 49 of the listing Agreement and Section 178 of the Act and Rules framed thereunder from time to time. In future, any changes constitution of Committee on account of changes in Board of Directors of the Company, need not requires change in this policy once board of Directors of the Company reconstitute the Committee.

## **2. Objectives**

- To recommend to the Board in relation to appointment and removal as well as of Directors and Senior Management;
- To recommend the Remuneration payable to Directors, Key Managerial Personnel and Senior Managerial personnel and other employees i.e. General Manager and above category.
- To evaluate the performance of the members of the Board and provide necessary Report to the Board for further evaluation of the Board;
- Other necessary things which is required for review and recommendation to the Board of Directors from time to time in compliance with the provisions of Act and any amendment thereto from time to time.

## **3. Definitions**

In compliance of the provisions of section 2(51), 203 and other applicable provisions of the Act, the Companies (Appointment and Remuneration of Managerial Personnel), 2014 and subject to modification(s) / re-enactment(s) from time to time the definition of Key Managerial Personnel is mentioned herein below:

**(a) Key Managerial Personnel:** Key Managerial Personnel means—

- (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
- (ii) Company secretary,
- (iii) Chief Financial Officer; and
- (iv) Such other officer as may be decided by the Company from time to time.

**(b) Senior Management:** It means the members who are the part of its core management team excluding the Board. This would also include all members of management one level below the executive directors including all functional heads.

## **4. Role of Committee**

The role of the Committee inter alia will be as per the following:

- a) To identify the persons who are qualified to become Directors and who may be appointed in senior management;

- b) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- c) To recommend to the Board of the appointment and removal of Senior Management of the Company;
- d) To carry out evaluation of performance of Directors and recommend to the Board appointment / removal based on his / her performance;
- e) To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) for Executive Directors remuneration and incentive;
- f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) To develop a policy on Board diversity;
- h) To develop a succession plan for the Board and to regularly review the plan.

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#### **5. Composition of Committee**

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- a) The Committee shall consist of a minimum 3 (Three) Non-executive directors, majority of them being independent Directors;
- b) Minimum 2 (two) members shall constitute a quorum for the Committee meeting;
- c) Membership of the Committee shall be disclosed in the Annual Report of the Company;
- d) Terms of the Committee shall be continued unless terminated by the Board of Directors.
- e) The Chairman of the Committee shall be an Independent Director;
- f) The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
- g) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;

- h) The Chairman of the Committee could be present at the Annual General Meeting, to answer the queries of shareholders. However, it would be up to the Chairman to decide who should answer the queries;
- i) The company shall disclose the remuneration policy and the evaluation criteria in the Annual Report of the Company;

## **6. Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required from time to time and as suggested by Chairman of the Committee.

## **7. Committee of 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.

## **8. Secretary**

- a) The Company Secretary of the Company shall act as Secretary 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 the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **10. Duties of the Committee**

### **10.1 Duties for Nomination:**

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

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;

- b) Ensuring that on appointment to the Board of the Company, the Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act, applicable schedules as well as applicable clauses of Listing Agreement;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation every year in compliance with the Act;
- d) Determining the appropriate size, diversity and composition of the Board of the Company;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment on the Board of the Company;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making 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(s);
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board;
- k) Considering any other matters as may be requested by the Board;

### **10.2 Duties for Remuneration:**

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

- a) To consider and determine the Remuneration Policy, based on the performance and the remuneration is reasonable and sufficient to attract retain and motivate members of the Board;
- b) To approve the remuneration of the 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;

- c) To delegate any of its powers to one or more of its members or the Secretary of the Committee;
- d) to consider any other matters as may be requested by the Board;
- e) Professional indemnity and liability insurance for Directors and senior management.

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**11. Proceeding of Committee Meeting**

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- a) The Proceeding of all meetings of the Committee must be written in English Language and it should be serially numbered;
- b) Minutes of the Committeemeetings will be placed before the subsequent Board and Committee meeting;
- c) The Proceeding of the meeting of the Committee must be signed and dated by the Chairmanof the Committee at the subsequent meeting.

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**12. General**

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The Board shall have the right to amend the policy from time to time without assigning any reason whatsoever and do all such acts and things as may be necessary from time to time.

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Place: Ahmedabad

Date: 11.08.2014

<b>For Kiri Industries Limited</b>	
<b>Sd/- Pravin Kiri Chairman</b>	<b>Sd/- Keyoor Bakshi Chairman of the Committee</b>