

## **NITTA GELATIN INDIA LIMITED**

### **NOMINATION AND REMUNERATION POLICY**

Nitta Gelatin India Limited (hereinafter referred as the 'Company') wants adherence to a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with emphasis on transparency- all for creation of maximum value for the stakeholders. In that direction, a Nomination and Remuneration Policy is evolved, which also has to meet the prevalent legal requirements. The Company had already constituted a Nomination and Remuneration Committee of the Board of Directors (Board).

#### **BRIEF OVERVIEW UNDER COMPANIES ACT 2013**

{Section 178 and Companies (Meetings of Board and its Powers] Rules 2014}

1. It is worthwhile considering the Company Law provisions on constitution of Nomination and Remuneration Committee, its powers and the law bearing on formulation of the Nomination and Remuneration Policy.
2. Constitution of the Nomination and Remuneration Committee consisting of three or more Non- Executive Directors out of which not less than one half shall be Independent Directors.
3. The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee
4. The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal shall 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
5. The Nomination and Remuneration Committee does formulate the criteria for determining qualifications, positive attributes and independence of a Director recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel meaning thereby employees of the Company who are members of core management excluding Board of Directors.

\*Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

6. The Nomination and Remuneration policy to ensure that:-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate personnel as are herein referred at (4) above of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Whole- Time 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. "Provided that such policy shall be placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web link of the policy, if any, shall be disclosed in the Board's report."

### **BRIEF OVERVIEW OF THE LISTING REGULATIONS**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

A. The Company to have a Nomination and Remuneration Committee which shall comprise at least three Directors, all of whom shall be Non- executive Directors and at least two-thirds shall be Independent. Chairman of the Committee shall be an Independent Director.

B. The role of the committee shall, INTERALIA, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director

shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
  4. Identifying persons who are qualified to become Directors in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  5. 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.
  6. Recommend to the board, all remuneration, in whatever form, payable to Senior Management\*.

The Company shall provide the web link containing the Nomination and Remuneration policy and the evaluation criteria in its Annual Report.

\* "Senior Management" shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

### **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the Nomination and remuneration for the Directors, Key Managerial Personnel and other employees.

- Identify persons who are qualified to become directors and who may be appointed in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.

- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Whole Time Directors as and when required, or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/ Committee thereof, and, any other benefits if any, payable to the Non-Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

**POLICY RELATING TO NOMINATION AND REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL:**

No director / KMP/ other employee is involved in deciding his or her own remuneration.

The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration. It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.

Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.

Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

Following Criteria are also to be considered

- Responsibilities and duties;
- Time and efforts devoted; Value addition;
- Profitability of the Company and growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources;
- Ensuring tax efficient remuneration structures.

- Ensuring that remuneration structure is simple and that the Cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.

Other criteria as may be applicable.

- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

### **REVIEW**

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary. Any subsequent amendment/modification in the applicable laws in this regard shall automatically apply to this Policy.