

VELNIK INDIA LIMITED
(Formerly Known as Velnik India Private Limited)

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every Company covered under the aforesaid section shall constitute the Nomination and Remuneration Committee.

The Board of Directors of the Company (the Board) therefore, constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

In terms of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee shall inter alia recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Accordingly, this Nomination and Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

DEFINITIONS

- a) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means **“Velnik India Limited”**
- c) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- d) **“Key Managerial Personnel” (KMP)** means (i) Chief Executive Officer or the Managing

Director or the Manager, (ii) Company Secretary, (iii) Whole-time Director, (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.

- e) **“Committee or Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- f) **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- g) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- h) **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

SCOPE

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

OBJECTIVES

The Key Objectives of the policy and the Committee would be:

1. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy;
2. To formulate criteria for determining qualifications, positive attributes and independence of a Director;
3. To guide and recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
5. To Formulate criteria for evaluation of performance of Independent Directors, the Board as

a whole and of each Director on Individual Basis.

GUIDING PRINCIPLES

The Policy ensures that:

1. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets.

ROLE AND POWERS OF THE COMMITTEE

1. **Recommend to the Board of Directors, appointment and removal of Directors, KMP and Senior Management.**
 - Identify 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 their appointment and removal
 - Ensure that the person(s) identified as aforesaid possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - The Committee shall not recommend appointment of and recommend retirement of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
 - At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves shall be restricted to such numbers as prescribed under the Act.

- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

2. **Review of term/tenure of Directors, KMP and Senior Management, with special reference to:**

a. **Managing Director/Whole-time Director:**

- The Committee shall ensure that the Company appoints or re-appoints any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time and no re-appointment is being made earlier than one year before the expiry of term.

b. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of a cooling off period of three years after ceasing to become an Independent Director consequent to expiry of 2nd term of his/her appointment. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3. **Facilitate retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4. **Recommend to the Board of Directors, the remuneration of Directors, KMP and Senior Management.**

a. **General:**

- The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- The remuneration and commission to be paid to the Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director;
- Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

- Fixed pay:

The Whole-time / Executive / Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

➤ Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c. Remuneration to Non- Executive / Independent Director:

➤ Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

➤ Sitting Fees:

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

➤ Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

➤ Stock Options:

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

MEMBERSHIP OF THE COMMITTEE

1. The Committee shall consist of a minimum 3 non-executive directors, out of which not less than one-half will be independent directors:
2. Minimum two (2) members shall constitute a quorum for the Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.

4. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN OF THE COMMITTEE

1. Chairman of the Committee shall be an Independent Director;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
4. Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

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

COMMITTEE MEMBERS' INTERESTS

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.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

COMPANY SECRETARY

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

VOTING

1. 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.

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

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be entered in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals insupplement and for better implementation of this policy as considered appropriate.

The Committee May Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

Any subsequent amendment/modification in the listing agreement and/or other applicable laws inthis regard shall automatically apply to this Policy.
