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Nomination and Remuneration Policy

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Nomination and Remueration Policy

1. Introduction

In accordance with the Act and the Listing Regulations, the Board of the Company, has adopted the Policy.

2. Definitions

- (i). **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- (ii). **“Board”** shall mean the board of directors of the Company.
- (iii). **“Company”** shall mean Bajaj Hindusthan Sugar Limited.
- (iv). **“KMPs” or “Key Managerial Personnel”** in relation to the Company, shall mean:
 - (a) the chief executive officer or the managing director or the manager;
 - (b) the company secretary;
 - (c) the whole-time directors;
 - (d) the chief financial officer;
 - (e) such other officer, not more than one level below the directors, who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (f) such other officer as may be prescribed.
- (v). **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (vi). **“Nomination and Remuneration Committee”** shall mean the committee of the Board constituted, or reconstituted, as the case may be, in accordance with Section 178 of the Act and the Listing Regulations.
- (vii). **“Policy”** shall mean this nomination and remuneration policy.
- (viii). **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/ manager (including chief executive officer/ manager, in case they are not a part of the board) and shall specifically include company secretary and chief financial officer.
- (ix). **“Stock Exchange”** shall mean a recognised stock exchange on which the securities of the Company are listed.

3. Primary Objective

The primary responsibilities of the Nomination and Remuneration Committee are as follows:

- To identify individuals qualified to be members of the Board and who may be

appointed in the Senior Management, in accordance with the criteria approved by the Board;

- To periodically examine the structure, composition, functioning and performance of the Board, its committees and Senior Management and recommend changes, as may be necessary;
- To recommend the appointment and removal of the members of the Board and the Senior Management;
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To recommend the membership of directors on the committees of the Board;
- To formulate the criteria for evaluation of the Board, its committees and the directors and Senior Management of the Company;
- To formulate the criteria for determining the qualifications, positive attributes and independence of a director;
- To recommend to the Board, the policy for remuneration of directors, KMPs and other employees;
- To oversee the evaluation of the Board, committees of the Board and the management;
- Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;
- Examine the impact of significant regulatory and statutory changes applicable to the governance practices of the Company, and to recommend measures to implement the same;
- To regularly examine methods to strengthen the Company's organizational structure, by improving the policies and procedures in relation to hiring and retention of employees, motivation, development, deployment and behavior of management and other employees. In this context, the Nomination and Remuneration Committee will also review the framework and processes for motivating and rewarding performance at all levels of the Company, review the resulting compensation awards, and make appropriate proposals for Board approval. In particular, it will recommend the compensation to be granted to directors, KMPs, senior management and other employees of the Company; and
- Such other function as the Board or the Nomination and Remuneration Committee may consider appropriate.

Further, the Nomination and Remuneration Committee shall, while formulating the Policy, ensure that:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate directors of the quality required to run the Company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) Remuneration to directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance of the objectives appropriate to the working of the Company and its goals.

4. Composition

- The Nomination and Remuneration Committee shall consist atleast three non-executive directors with majority of independent directors.
- All members of the Nomination and Remuneration Committee shall non-executive directors.
- The chairman of the Nomination and Remuneration Committee shall be an

independent director, provided however that 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 the Nomination and Remuneration Committee.

- The composition, role and functions of the Nomination and Remuneration Committee shall be subject to applicable law, including the provisions of the Act and the Listing Regulations.

5. Secretary

The company secretary of the Company shall act as a secretary of the Nomination and Remuneration Committee.

6. Authority

The Nomination and Remuneration Committee shall have free access to management and management information. The Nomination and Remuneration Committee, at its sole authority, may seek the advice of outside experts or consultants at Company's expense where judged necessary, to discharge its duties and responsibilities and may pay suitable fees to them.

7. Remuneration Policy

➤ Directors

- (i) The Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the non-executive directors. Such commission will be approved by the Board and shareholders, as may be required, in accordance with the provisions of the Act.
- (ii) The Nomination and Remuneration Committee shall recommend to the Board, remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to the managing director, the whole-time director, the executive directors, the chief executive officer and other members of the Board.
- (iii) The remuneration to be paid to the managing director, the whole-time director, the executive directors, the chief executive officer and other members of the Board shall be determined keeping in view the market practice, the relative performance of the Company to the industry performance and individual performance and shall be subject to approval of appropriate authorities, as and when required. Perquisites and retirement benefits shall be paid according to the Company policy as applicable to all employees.
- (iv) The Company may provide loan and advances to the managing director, the whole-time director, the executive directors, the chief executive officer and other members of the Board on such terms and conditions and in such manner as may be recommended by the Committee to the Board.
- (v) Independent and non - executive directors may be paid such sitting fees for

attending the meeting of the Board and its committees, as recommended by the Nomination and Remuneration Committee to the Board.

➤ **Key Managerial Personnel, Senior Management and Other Employees**

- (i) The Nomination and Remuneration Committee shall recommend a remuneration policy for the evaluation of the performance and remuneration of Key Managerial Personnel, Senior Management and other employees of the Company.
- (ii) The Nomination and Remuneration Committee while recommending the such a policy shall consider the criteria like industry practice, qualification, experience, merits, performance of each employee, Company performance etc.
- (iii) The Nomination and Remuneration Committee shall recommend to the Board, compensation and incentive based compensation as well as employees stock option scheme, employee stock option plan of Key Managerial Personnel, Senior Management and other employees of the Company based on their evaluation of performance. The Company may provide loan and advances to its employees as per its internal policy as amended from time to time.

8. Criteria for Board membership

➤ **Directors**

The Committee shall take into account the following points:

- Director must have relevant experience in finance/ law/ management/ sales/marketing/ administration/ research/ corporate governance/ technical operations or the other disciplines related to Company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- Any person to be appointed as a director shall not possess the disqualifications contained in the Companies Act, 2013, as amended from time to time.

➤ **Independent Director**

An independent director shall comply with and meet with the criteria laid down in the Act and Listing Regulations. Further, the independent director shall adhere to the code of conduct and the code of ethics adopted by the Company.

9. Reporting and Disclosures

The Committee shall report on its activities and summarize any recommendations to the Board at a meeting of the Board. The Policy shall be disclosed in the Board's report.

10. Evaluation

- The Board/ the Nomination and Remuneration Committee, conduct the performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board.
- The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

11. Policy Review and Amendments

The Board and/or its Committees reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with applicable law issued by relevant statutory, regulatory or governmental authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.
