

# **VYARA TILES LIMITED**

## **NOMINATION & REMUNERATION POLICY**

### **INTRODUCTION**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI listing Regulation) as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

### **OBJECTIVE & PURPOSE OF THE POLICY**

This Policy is intended to achieve the following objectives:

- (a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive including Independent Directors), Key Managerial Personnel and persons who may be appointed in senior management positions.
- (b) To provide framework for remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel and align with the Company's business strategies, values, key priorities and goals.
- (c) To provide for rewards linked directly to the effort, performance, dedication and achievement of Company's targets by the employees.

### **DEFINITIONS**

In this Policy, unless the context otherwise requires:

**'Act'**, means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time,

**'Board of Directors' or 'Board'**, in relation to the Company, means the Board of directors of the Company.

**'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time, in terms of the Act and SEBI Listing Regulation.

**'Independent Director'** means a director referred to in Section 149(6) of the Act read with LODR Regulations.

**'Key Managerial Personnel' (KMP)** shall mean the following:

- (i) Managing Director (MD) or Chief Executive Officer (CEO) or Manager
- (ii) Whole-time Director (WTD);
- (iii) Chief Financial Officer (CFO);
- (iv) Company Secretary (CS);
- (v) Such other officer as may be prescribed.

‘**Policy**’ means this Nomination and Remuneration Policy, as may be amended from time to time.

‘**Senior Management Personnel**’ for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ or LODR Regulation as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **APPLICABILITY**

This Policy is applicable to:

- (i) Directors
- (ii) Key Managerial Personnel (KMP)
- (iii) Senior Management Personnel

## **MEMBERSHIP**

- (a) The Committee shall consist of such number of directors as is required under applicable laws.
- (b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
- (c) Term of the Committee shall be continuous unless terminated by the Board of Directors.

## **CHAIRPERSON**

- (a) The chairperson of the Committee shall be an Independent Director.
- (b) The chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.
- (c) The chairperson of the nomination and remuneration committee meeting may 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 intervals as may be required subject to minimum one meeting in a financial year.

## **COMMITTEE 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

## **SECRETARY**

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

## **QUORUM**

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

## **VOTING**

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. 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.

## **RESPONSIBILITY OF THE COMMITTEE**

The Committee is responsible for:

- (a) Formulation of the criteria for determining qualifications, positive attributes, and independence of a director.
- (b) To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
- (c) To 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 for their appointment and removal;
- (d) Advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including non-executive directors), KMPs and the Senior Management;
- (e) To carry out evaluation of a Director's performance and recommend to the Board appointment /removal based on his / her performance;
- (f) To recommend to extend or continue the term of appointment of the independent directors, on the basis of the report on performance evaluation of independent directors;
- (g) To devise a policy on Board diversity;
- (h) Any other responsibility as determined by the Board.

### **Recommend to the Board on:**

- (a) The policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management;
- (b) The Executive Director/s Remuneration and incentive;

- (c) To make 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 as an employee of the Company subject to the provision of the law and their service contract;
- (d) To ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- (e) To develop a succession plan for the Board and to regularly review the plan;
- (f) To ensure that there is an appropriate induction and training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (g) To ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- (h) To identify and recommend Directors who are to be put forward for retirement by rotation;
- (i) To determine the appropriate size, diversity and composition of the Board;
- (j) To set a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (k) To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from a business and compliance perspective.

## **APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL**

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel and recommend to the Board his / her appointment.
- (b) For the appointment of Independent Directors, the 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 and thereafter propose appointment of an Independent Director who meets these requirements.
- (c) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (d) Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance of provisions of the Act and LODR Regulations.

## **REMUNERATION**

Remuneration to Executive Director

Fixed pay:

Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and the approvals obtained from the shareholders of the Company.

The break-up 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 on the recommendation of the Committee and approved by the shareholders wherever required.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration in accordance with the provisions of Schedule V of the Companies Act, 2013.

Variable component:

- (a) The Executive Director(s) may be paid performance linked commission within the overall limits as approved by the shareholder.
- (b) Remuneration to Non-Executive Directors including Independent Directors:
  - (i) The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% or 3%, as the case may be or higher limit as approved by the shareholders by passing special resolution, of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
  - (ii) The Non- Executive Independent Directors of the Company are entitled to receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof in accordance with the provisions of the Act.
  - (iii) The Independent Directors shall not be entitled to any stock incentive of the Company.

## **AMENDMENTS TO THE POLICY**

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

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