



***MODERN INSULATORS LIMITED***

**NOMINATION, REMUNERATION & EVALUATION**  
**POLICY**

# **NOMINATION, REMUNERATION & EVALUATION POLICY**

## **1. INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 read with rules made thereunder and the listing agreement as amended from time to time. This policy is related to nomination, remuneration and evaluation of the Directors, Key Managerial Personnel (KMP) and other employees.

## **2. OBJECTIVE**

The Nomination and Remuneration Committee and the Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the rules made thereunder as amended from time to time and Clause 49 of the Listing Agreement. The Key Objectives of the Policy would be:-

- 2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Other Employees;
- 2.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation;
- 2.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel (KMP) and Other Employees;
- 2.4 To recommend and provide reward to Key Managerial Personnel (KMP) and Other Employees for their effort, performance, dedication and achievement relating to the Company's operations;
- 2.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- 2.6 To devise a policy on Board diversity; and
- 2.7 To develop a succession plan for the Board and to regularly review the plan.

### **3. DEFINITIONS**

- 3.1 Company means the Modern Insulators Limited.
- 3.2 Act means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- 3.3 Listing Agreement means agreement with Stock Exchanges.
- 3.4 Committee means the Nomination & Remuneration Committee of the Board of Directors of the Company.
- 3.5 Key Managerial Personnel means:-
- (a) Chief Executive Officer or the Managing Director or the Manager;
  - (b) Whole-time Director;
  - (c) Chief Financial Officer;
  - (d) Company Secretary;
  - (e) Such other Officers as may be prescribed.
- 3.6 Other Employees means personnel of the Company who are the core members of its management team excluding the Board of Directors.
- 3.7 Policy means the Nomination, Remuneration & Evaluation Policy of the Company.

### **4. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee consisting of two Independent Directors and one Non - Executive Director. The Present Nomination and Remuneration Committee Consists of following member director:

- Shri R. Raniwala - Chairman (Independent Director)
- Shri S.K. Sharma - Member (Independent Director)
- Shri T.C. Chejara - Member (Non- Executive Director)

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

### **5. POLICY FOR DIRECTORS, KMP AND OTHER EMPLOYEES**

#### **5.1 Appointment Criteria and Qualifications**

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or other employees and recommend to the Board for his/her appointment.
- (b) A person should 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.

## **5.2 Term/Tenure**

### **(a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the 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 of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. 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.

## **5.2 Remuneration**

### **(a) Remuneration to Managing Director/whole time Director/KMP and other Employees:**

Remuneration/Compensation/Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

### **(b) Remuneration to Non-Executive/Independent Director:**

Non-Executive Independent Director may receive remuneration/compensation/commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

## **5.4 Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Other employees at regular interval.

## **5.5 Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Other employees subject to the provisions and compliance of the said Act, rules and regulations.

## **5.6 Retirement**

The Director, KMP and Other employees 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 and other employees in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **6. DUTIES OF THE NOMINATION AND REMUNERATION COMMITTEE**

Duties of the Nomination and Remuneration Committee relating to Nomination, Remuneration and Evaluation of Directors, KMP and Other Employees are as follows:-

### **6.1 Duties in relation to nomination matters**

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

- (a) Ensuring that there is an appropriate induction in place for new Directors, KMP and other employees and reviewing its effectiveness;
- (b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- (c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (d) Determining the appropriate size, diversity and composition of the Board;
- (e) Developing a succession plan for the Board and other employees and regularly reviewing the plan; Evaluating the performance of the Board members and other employees in the context of the Company's performance from business and compliance perspective;
- (f) Considering any other matters, as may be requested by the Board.

### **6.2 Duties in relation to remuneration matters**

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

- (a) Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- (b) Approving the remuneration of the KMP and other employees 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) Considering any other matters as may be requested by the Board.

### **6.3 Duties in relation to evaluation matter**

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

- (a) Leadership & stewardship abilities;
- (b) Contributing to clearly define corporate objectives & plans;
- (c) Obtain adequate, relevant & timely information from external sources;
- (d) Review & approval achievement of strategic and operational plans, objectives, budgets etc;
- (e) Regular monitoring of corporate results against projections;
- (f) Identify, monitor & mitigate significant corporate risks;
- (g) Review the management's succession plan;
- (h) Assuring appropriate Board size, composition, independence, structure etc.; and
- (i) Clearly defining roles & monitoring activities of the Committees.

## **7 REVIEW AND AMENDMENT**

- 7.1 The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.
- 7.2 The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- 7.3 This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

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