

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

The Securities and Exchange Board of India vide their notification No SEBI/LAD-NRO/ GN/2018/10 dated May 9, 2018 has further amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further vide the above circular, the following amendments in Regulation 19 were notified, which are effective from April 1, 2019 i.e.

- The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance;
- The nomination and remuneration committee shall meet at least once in a year;
- The role of nomination and remuneration committee has been widened to include the following:
 - ✓ Recommend to the board, all remuneration, in whatever form, payable to senior management.
 - ✓ Defined Senior Management shall mean “officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this 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 part of the board) and shall specifically include company secretary and chief financial officer.

In view of the above amendment, the Board is requested to take note of the above and accord its approval for the updated “Terms of Reference of the Nomination and Remuneration cum Compensation Committee, in accordance with the Section 178 and Regulation 19 (as amended) of SEBI (LODR) Regulations, 2015.

Terms of reference of the Committee

The revised Terms of Reference’ are as follows:

- 1) The Committee shall consist of minimum of three directors with all directors of the committee shall be non-executive directors; and at least fifty percent of the directors shall be independent directors.
- 2) The Chairperson of the nomination and remuneration committee shall be an independent director.

- 3) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries. However, it shall be up to the chairperson to decide who shall answer the queries.
- 4) The quorum for a meeting of committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 5) The nomination and remuneration committee shall meet at least once in a year.
- 6) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in the NRC Policy.
- 7) Recommending to the Board, appointment, remuneration and removal of directors and senior management.
- 8) Formulating the criteria for evaluation of Independent directors and the Board and carrying out evaluation of every director's performance,
- 9) Formulating the criteria for determining qualification, 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.
- 10) Devising a policy on Board diversity.
- 11) To do such act as specifically prescribed by Board and
- 12) Carry out such functions, and is empowered to act, in terms of Companies Act 2013, read with rules framed there under, Listing Agreement and rules and regulations framed by Securities Exchange Board of India, including any amendment or modification thereof.

The above terms of reference shall be read in conjunction with the Polywood Nomination and Remuneration Policy.