



Nomination & Remuneration Policy

MAN INDUSTRIES (INDIA) LIMITED

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1. BACKGROUND:

This revised policy document is drafted in compliance to Section 178 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement with Stock Exchange and is approved by the Board of Directors of the Company in its meeting held on February 13, 2015.

2. OBJECTIVE:

The objective of this policy document is majorly to set the guidelines for constitution of Nomination and Remuneration Committee setting forth inter-alia its, objective, role & responsibilities with respect to the nomination of the Directors including the senior executives of the Company and remuneration payable to them. The remuneration policy of the Company is based on the fundamental principle of rewarding performance as against benchmarked objectives.

3. PURPOSE:

To establish a fair, transparent and reasonable process for selection of executive and non-executive directors including senior executives of the Company and determining the appropriate remuneration payable to them and to ensure that the shareholders remain well informed and confident in the management of the Company.

4. DEFINITIONS:

- i. **“Company”** means MAN INDUSTRIES (INDIA) LIMITED.
- ii. **“Board”** means Board of Directors of the Company which includes both executive and non-executive directors.
- iii. **“Executive Directors”** means Directors who are in the whole-time employment of the Company.

- iv. **“Independent Director”** in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—
- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - (e) who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed under the Companies Act 2013 or rules made there-under.
- v. **“Non-Executive Directors”** means Directors other than Executive Directors, who apart from receiving the sitting fees do not get any kind of other remuneration from the Company.
- vi. **“NRC”** means Nomination and Remuneration Committee.
- vii. **“Senior Executives”** means and include employees of the Company working one line below the Board of Directors and includes key managerial personnel as defined under Sec. 2(51) of the Companies Act 2013.

5. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

NRC shall comprise of at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.

6. MEETINGS:

The meetings of NRC shall be convened and held as and when required but the members of the Committee shall meet at least once in a financial year. Quorum of such meeting shall be of two independent director members.

7. FUNCTIONS / ROLE:

The primary function of the Nomination & Remuneration Committee is to assist the Board in fulfilling its responsibilities to Shareholders by establishing an appropriate, transparent and fair mechanism for recruitment and retention of Board members and the senior executives of the Company.

The role of the Committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, 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 senior employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;

4. Identifying 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Further the Committee shall have review responsibility for;

- a. Maintaining a Board which comprises of individuals best able to discharge the responsibilities of directors having regard to the execution of Company's strategic objectives, to the requirements of the law and to the highest standards of corporate governance;
- b. Reviewing the performance of the Board; and
- c. Succession planning for the Board.

8. APPOINTMENT CRITERIA FOR NRC MEMBERSHIP

A Director, who is Non-Executive, can only be the member of the Nomination and Remuneration Committee. With the consent of members present at the meeting, members shall elect one of them as Chairman of the meeting.

9. TERMS OF REFERENCE:

- To identify persons who are qualified to become directors and who may be appointed in the senior management and recommend to the Board their appointment and removal.
- To review the overall compensation policy and remuneration payable to managing / whole-time Directors / senior management.
- To make recommendations to the Board of Directors on the increments in the remuneration of the Directors / senior management.

- To conduct annual performance for all the Directors to monitor and review the appropriateness of each remuneration package.
- To frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
- Perform such functions as are required to be performed by the NRC under the ESOP Guidelines and
- Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

10. BASIS OF DETERMINATION:

The remuneration of the Executive Directors (managing / whole-time) is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer Companies. Compensation reflects each Board member's responsibility and performance. The remuneration to the Executive Directors shall be first fixed and recommended by the NRC and accordingly paid as per the Agreements entered into between them and the Company, which shall be further subject to the approval of members. Wherever necessary, Company shall seek approval of Central Government for their remuneration. Retirement benefits in the form of provident fund, superannuation and gratuity shall be paid to the Executive Directors in accordance with the Company policy as applicable to other employees of the Company.

Remuneration to the Executive Directors shall majorly comprise of:

- (a) Fixed Component like basic salary,
- (b) Allowances & Perquisites and
- (c) Variable Component like Commission, depending on the profit of the Company in that particular financial year, which put together with the salary and perquisites shall be subject to overall ceiling laid down in Sec. 197 of the Companies Act, 2013.

11. PROCEDURE:

Appointment process of directors and other managerial personnel is independent of the Company's Management. While selecting and nominating any director or managerial personnel to the Board or a senior executive, the Committee shall ensure that there is appropriate balance of skills, experience and knowledge to justify his/her selection. The Committee shall ensure that any nomination/appointment of an independent director has to be approved at the meeting of shareholders.

NRC shall evaluate and recommend the remuneration, including payment of commission based on the net profits of the Company for the director/s. After Board's approval, the shareholders consent shall be sought through the resolution, whether ordinary or special, as the case may be, in the general meeting. Wherever necessary, Company shall seek approval of Central Government for the appointment and payment of remuneration to its executive directors.

On the recommendations and reports of the Nomination and Remuneration Committee, the performance evaluation of each director shall be carried out by the entire Board of Directors, excluding the director to be evaluated. Based on the report of performance evaluation, it is determined whether to extend or continue or end the term of appointment of the director.

12. REMUNERATION TO NON-EXECUTIVE DIRECTORS:

Except the sitting fees for attending the Board and other Committee Meetings, Non-Executives Directors do not receive any other pecuniary benefit from the Company. The Non-Executive Directors are paid sitting fees of Rs. 30,000/-* for every Board Meeting and Rs. 10,000/- for every Audit Committee Meeting attended by them. The Chairman of the Committee, on the recommendation of the Committee Members, can increase the limit of sitting fees for attending each Board meeting or Committee meeting up to any amount not exceeding Rs. 100,000/- per meeting. Any increase beyond Rs. 100,000/- has to be priorly approved by the members at the general meeting.

* [w.e.f. 30.05.2017; *earlier Rs. 20,000/- for every Board Meeting*] .

13. SECRETARY TO NRC:

The Company Secretary of the Company acts as the Secretary to the Committee.

14. SPECIFIC RESTRICTIONS

- All Directors are strictly restricted from entering into an arrangement with the Company, its holding, subsidiary or associate Company to acquire assets for consideration other than cash and vice-versa.
- Non-executive Independent Directors shall not be entitled to any stock options granted / offered by the Company.

15. POLICY RESPONSIBILITY

The Human Resources Department shall be responsible for the administration, interpretation and application of this policy.

This policy should be reviewed by the NRC at least every two years. Any changes to the policy must be approved by the Board.

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