

## **NOMINATION AND REMUNERATION POLICY**

### **Preamble**

Section 178 of the Companies Act, 2013 provide that the Board of Directors on the recommendation of Nomination and Remuneration Committee has to formulate Nomination and Remuneration Policy detailing therein interalia, the criteria for determining qualifications, experience, positive attributes and independence of a Director; remuneration for the Directors, Key Managerial Personnel and other employees; review of performance of non-independent directors and Chairman of the Board and performance evaluation of Independent Directors. Accordingly, the Nomination and Remuneration Policy of the Company has been designed to keep pace with the dynamic business environment and market linked positioning. The Policy has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee (“NRC”) of the Company.

### **Applicability**

This policy is applicable to:

- a. Directors (Executive, Non-Executive and Independent)
- b. Key Managerial Personnel (KMP)
- c. Senior Management Personnel
- d. Other employees as may be decided by the Committee (“NRC”)

### **Objective**

The policy provides for criteria for:

- a. Determining qualifications, positive attributes and independence of a Director;
- b. Performance evaluation of Independent Directors, non independent Directors, Chairman and the Board;
- c. Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees, as may be decided by the Committee;

### **Definitions**

“Act” means the Companies Act, 2013 and rules framed thereunder and any amendments thereto;

“Board of Director” or “Board”, means the collective body of the Directors of the company;

“Company” wherever occur in the policy shall mean “Kangaro Industries Limited”

“Independent Director” means a Director, referred to in section 149(6) of the act.

“Key Managerial Personnel” means



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- a. the Chief Executive Officer or the Managing Director
- b. the Company Secretary;
- c. the Chief Financial Officer;
- d. and any other person appointed as the KMP by the Board of Directors of the Company;

“Nomination and Remuneration Committee or Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“Senior Management” mean the personnel of the Company who are members of its core management team and comprising all members of management one level below the Board/Executive Directors, including all the functional heads.

## **Interpretation**

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and rules thereof, as amended from time to time. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Nomination and Remuneration Committee and the decision of the Nomination and Remuneration Committee in such a case shall be final.

## **Guidelines**

### **I. Qualifications**

Criteria for identifying persons who are qualified to be appointed as a Director/KMP/Senior Management Personnel of the Company:

**a. Directors:** Any person who in the opinion of the Board is a person of integrity and possesses relevant expertise and experience and is not disqualified in terms of Section 164 of the Companies Act, 2013 and other applicable provisions can be appointed as a Director of the Company.

**b. Independent Directors:** For appointment as Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014. Further he/she should also fulfill the requirements of Section 149 (6) of the Companies Act, 2013.

**c. Key Managerial Personnel:** The Company has specific job descriptions for the Key Managerial Personnel in the Organization Structure. The job descriptions detail the minimum qualifications and experience requirements of the specific position, which commensurate with the size of its business and the nature and complexity of its operations. These positions will be filled internally as well as by lateral hiring. Any new recruit in the Company is to match the requirements prescribed for the position.



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## II Remuneration

### a. Provisions relating to remuneration of Key Managerial Personnel, Senior Management Personnel and other employees.

Key Managerial Personnel, Senior Management Personnel and other employees receive basic salary, allowances and other perquisites and performance based remuneration. The Company policy is that remuneration should be fair and reasonable and should be reflective of market competitiveness so as to attract the best talent. The following are the guiding factors:

- The scope of duties, the role and nature of responsibilities;
- The level of skill, knowledge, experience, local factors and expectations of individual;
- The Company's performance, long term strategy and availability of resources;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and

The remuneration of Key Managerial Personnel and Whole-time Director are determined and reviewed by Nomination and Remuneration Committee, while the HR department reviews the remuneration of other employees. Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' and/or of the Central Government, as may be applicable.

### b. Provisions relating to remuneration of Non- Executive/Independent Director(s)

- The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and at the discretion of the Board from time to time.
- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' and/or of the Central Government, as may be applicable.

## III Evaluation

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act provides that the Independent Directors shall at its separate meeting review performance of non-independent directors, Chairperson of the Company and the Board as a whole. The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

The evaluation will be done on following parameters:



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1. Role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
2. Attendance and contribution at Board and Committee meetings;
3. Subject expertise, skills, behavior, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;
4. Ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
5. Vision on Corporate Social Responsibility;
6. Ability to create a performance culture that drives value creation and a high quality of discussions;
7. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
8. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity;
9. Contribution to enhance overall brand image of the Company;

Committee and the Board shall annually review the performance of each and every Director. Based on the rating of performance the Board can decide to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating.



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