



KESAR ENTERPRISES LIMITED

Regd. Off: Oriental House, 7 Jamshedji Tata Road, Churchgate, Mumbai-400 020, India. Website : <http://www.kesarindia.com>
Phone : (+91-22) 22042396 / 22851737 Fax : (+91-22) 22876162 E-mail : headoffice@kesarindia.com
CIN : L24116MH1933PLC001996

NOMINATION & REMUNERATION POLICY

INTRODUCTION:

The Company has formulated the following Policy on Nomination & Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

ROLE & OBJECTIVE:

The Nomination and Remuneration Committee and the Policy thereon are in compliance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and also Clause 49 of the Listing Agreement. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel [KMP] and Senior Management Personnel.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy relating to the remuneration of Directors, KMP and other Employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management Personnel.
- To provide to KMP and Senior Management Personnel reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

DEFINITIONS:

“**Board**” means Board of Directors of the Company.

“**Director**” means Director of the Company.

“**Committee**” means Nomination & Remuneration Committee (NRC) as constituted or reconstituted by the Board, from time to time.

“**Company**” means Kesar Enterprises Limited.

“**Independent Director**”-As provided under Clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent Director’ shall mean a Non-Executive Director, other than a Nominee Director of the Company –



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- 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. apart from receiving Director's remuneration, has or had no Pecuniary Relationship with the Company, its Holding, Subsidiary or Associate Company, or their Promoters, or Directors, during the 2 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 2% or more of its gross turnover or total income or Rs.50 lac or such higher amount as may be prescribed, whichever is lower, during the 2 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 KMP or is or has been Employee of the Company or its Holding, Subsidiary or Associate Company in any of the 3 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 3 financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - 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 10% or more of the gross turnover of such firm;
 - iii. holds together with his relatives 2% or more of the total voting power of the Company; or
 - iv. is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its Holding, Subsidiary or Associate Company or that holds 2% or more of the total voting power of the Company;
 - v. is a material supplier, service provider or customer or a less or or lessee of the company;
- f. who is not less than 21 years of age.

“Key Managerial Personnel”(KMP) means-

- (i) Chief Executive Officer or Managing Director or Manager or Whole-Time Director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer; and
- (iv) such other officer as may be prescribed under the applicable statutory provisions.

“Senior Management” means personnel of the Company who are members of its Core Management team excluding Board of Directors comprising all members of Management one level below the Executive Director, including the functional Heads.



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

APPLICABILITY

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel (KMP)
- Senior Management Personnel

MEMBERSHIP

- a) The Committee shall consist of a minimum 3 Non-Executive Directors out of which not less than one half shall be Independent Directors;
- b) Minimum 2 members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

TERM

The term of a Director shall be governed as per provisions of the Companies Act, 2013 and Rules made there under as amended from time to time.

EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

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 Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel 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, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



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FREQUENCY OF MEETINGS

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

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at the meeting or when his or her performance is being evaluated.

The Committee may invite such Executives, as it considers appropriate, to be present at the meeting of the Committee.

SECRETARY

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

VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and 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.

POLICY FOR REMUNERATION TO DIRECTORS / KMP / SR. MANAGEMENT PERSONNEL

- a) **Remuneration to Director / Whole-time Director / Managing Director, KMP and Sr. Management Personnel:**

The Remuneration/ Compensation / Commission / Incentive etc. to be paid to Director/ Whole-time Director / Managing Director, KMP and Sr. Management Personnel 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:**

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

NOMINATION DUTIES

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

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non Executive Directors receive a formal Letter of Appointment in accordance with the Guidelines provided under the Companies Act, 2013;



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- Identifying and recommending Directors who are to be put forward for retirement by rotation; Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Sr. Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Sr. Management in the context of the Company's performance;
- Making 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;
- Delegating any of its powers to one or more of its members of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters as may be requested by the Board.

REMUNERATION DUTIES

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

- to consider and determine 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;
- to approve the remuneration of the Sr. Management including KMP of the Company;
- to delegate any of its powers to one or more of its members of the Committee;
- Professional indemnity and liability insurance for Directors, Sr. Management and KMP of the Company; and
- to consider any other matters as may be requested by the Board.

REVIEW & AMENDMENT

This Policy may be amended or substituted by NRC or by the Board as and when it deems necessary or as per any statutory changes.
