

# Dutron Polymers Limited

## Nomination and Remuneration Policy

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# Nomination and Remuneration Policy

## 1. Introduction

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors on 31 May 2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Directors, Key Managerial Personnel and Senior Management.

## 2. Objective

The Nomination and Remuneration Committee and this Policy shall comply with Section 178 of the Companies Act, 2013 read along with the applicable rules to it and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- a) To recommend to the Board appointment and removal of Directors, Key Managerial Personnel and Senior Management by criteria laid down.
- b) To recommend to the Board a policy including the following:
  - Determining qualifications, positive attributes and independence of a director;
  - Remuneration for the Directors, Key Managerial Personnel and Senior Management;
  - Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required running the company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting the short and long-term performance objectives appropriate to the working of the company and its goals.
  - Performance evaluation of Independent Directors and the Board.
  - Board diversity.

## 3. Definitions

“**Act**” means Companies Act, 2013 and rules thereunder.

“**Board**” means the Board of Directors of the Company. “**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Company**” means Citizen Infoline Limited.

**“Independent Director”** means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the stock exchanges.

**“Key Managerial Personnel”** means Key managerial personnel as defined under the Companies Act, 2013 and includes: i. Managing Director or Executive Director or Chief Executive Officer or Manager ii. Whole-time Director; iii. Company Secretary; iv. Chief Financial Officer and v. Such other officer as may be prescribed.

**“Policy”** means Nomination and Remuneration Policy.

**“Senior Management”** means personnel of the Company who are members of its core management team (Internal Board) excluding the Board of Directors.

## 4. Functions of Committee

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

- 4.1. Identify persons who are qualified to become Directors and who may be appointed in senior management by the criteria laid down, recommend to the Board their appointment and removal.
- 4.2. To recommend to the Board policy for following:
  - Determining qualifications, positive attributes and independence of a director;
  - Remuneration for the Directors, Key Managerial Personnel and Senior Management;
  - Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
  - Performance evaluation of Independent Directors and the Board.
  - Board diversity.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the company. Provided that Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and officers of the Company, as deemed necessary for proper and expeditious execution.

## 5. Membership

- The Committee shall consist of a minimum three non-executive directors, the majority of them being independent.
- The quorum shall be either two members or one-third of the members of the Committee whichever is higher.

- Membership of the Committee shall be disclosed in the Annual Report.
- The term of the Committee shall be continued unless terminated by the Board of Directors.

## 6. Chairperson

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

## 7. Frequency of Meeting

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

## 8. Secretary

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

## 9. Minutes of Committee

Meeting Proceedings of all meetings shall be minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

## 10. Policy for appointment and removal of Director, KMP and Senior Management

### 10.1. Appointment criteria and qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- 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 are sufficient/satisfactory for the concerned position.
- The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.

### 10.2. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, 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.

### 10.3. 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.

## 11. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 11.1. General:

- The remuneration / compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director shall be by the percentage/slabs / conditions laid down in the provisions of the Act.
- Term / Tenure of the Directors shall be as per company's policy and subject to the provisions of the Act.

### 11.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel

#### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorised by the Board and approved by the shareholders and Central Government, wherever required.

#### b) Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director by the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### 11.3. Remuneration to Non-Executive / Independent Director

- Remuneration / Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Act.

- Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the number of such fees shall be decided by the Board and subject to the limit as provided in the Act.

- Commission:

The commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

## 12. Amendments

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including Listing Agreement.

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# Policy on Evaluation of Performances of Board of Directors

## 1. Introduction

Dutron Polymers Limited (the “Company”) conducts its operation under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly the Companies Act, 2013, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), internal code of conduct formulated by the Company for its internal execution.

The Company’s Board of Directors are dedicated to act in good faith, exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders. Section 178 of the Act provides that a policy is to be formulated by the Nomination and Remuneration Committee (“NRC”) and recommend to the Board, setting the criteria based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company.

The Company firmly believes in the ideals of productive performances of its Board of Directors and keeping in mind these principles the Company has formulated this Policy.

## 2. Objective

The NRC shall:

- Formulate the criteria for determining qualifications, positive attributes and value addition of the directors of the Company.
- Formulation of criteria for evaluation of performances of Independent Directors, Whole time Directors / Non-Whole time Directors.
- Identify whether to extend or continue the term of appointment of the Directors on the basis of the report of their performance evaluation.
- Determine the remuneration payable to the Directors in Board.
- The Committee shall evaluate the performances of Directors at least once in a year or as and when needed / directed by the Board of Directors.
- An indicative list of factors upon which evaluation of performance can be conducted
  - Meeting participation & value contribution by a director.
  - Number of meetings attended.
  - Commitment (includes guidance provided to senior management outside of board/committee meetings)
  - Effective management of relationship with stakeholders.
  - Effective deployment of knowledge & expertise in the various fields.
  - Integrity & maintenance of confidentiality.
  - Impact & influence inside / outside of the company.

We may from time to time use such parameters as prescribed by SEBI in its circular in relation to Guidance Note on Board Evaluation dated January 5, 2017.

### 3. Implementation and monitoring of performance evaluation process

The NRC in consultation with Board may be responsible for implementation of evaluation of performances.

The NRC has to follow the Individual evaluation criteria, for the following three categories of Directors.

- the Board;
- non-executive/independent directors
- whole-time/managing director(s)

### 4. External consultants

The Board or Committee thereof may engage independent external consultants periodically to provide strategic advices and assistance in the evaluation process.

### 5. Amendment

The Board has power to amend this policy from time to time in consultation with Nomination and remuneration Committee.

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# **Policy on Succession Planning of the Board and Senior Management**

## **1. Introduction**

Regulation 17(4) & Schedule II(D)(A)(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require Dutron Polymers Limited (The Company) to put in place this Policy and display the same on its Website. Keeping in view of that the Company has to draw this policy for panning of succession of directors and Senior Managerial persons for uninterrupted business functions at different areas of operations.

## **2. Background and Objectives**

Succession is an essential component to the survival and growth of any business. Succession planning is a tool for an organization to ensure its continued effective performance through leadership continuity. A good succession planning program aims to identify high growth individuals, train them and feed the pipelines with talents.

The Company recognizes importance of the process of Succession Planning, which provides continuity and smooth functioning. Moreover, there are few positions in the Company, which are key to its continued growth and hence , it is important, these positions are manned by skilled and best possible incumbents and that such positions whenever fall vacant are filled well in time to avoid any leadership gaps.

## **3. Applicability**

This Policy for succession planning is applicable to following personnel.

- Whole-time Directors and other Directors;
- Senior Managerial Positions:
- Key Managerial Personnel
- General Manager and above

## **4. Succession Plan for Board of Directors**

As far as Succession Plan for the Board of Directors is concerned the Nomination Committee of the Board, shall apply due diligence process to determine competency of person(s) being considered for appointment or re-appointment as a Director of the Company. This shall be based on his educational qualification, experience and record of accomplishment and every such person shall meet 'fit and proper' criteria, as the Company may stipulate from time to time. Accordingly, any appointment or re-appointment of a Director shall be subject to prior approval by Nomination Committee of the Company.

The Company has framed a 'Nomination and Remuneration Policy' to guide the Board in relation to appointment / re-appointment / removal of Directors, to devise criteria for performance evaluation of Independent Directors and the Board has to ensure adequate diversity in the Board

members to get the best of the varied skills on the industry with experience, background and other qualities of the Director.

Accordingly, the appointment / re-appointment / removal and tenure of the Directors including the Chairman / Managing Director / Whole-time Directors of the company shall be governed by the provisions of 'Nomination and Remuneration Policy' of the Company approved by the Board.

## 5. Succession Plan for Senior Managerial Personnel

The Nomination and Remuneration Committee of Dutron Polymers Ltd. shall consider the list of senior managerial personnel due for retirement / attrition within the year. The Committee shall also consider the new vacancies that may arise because of business needs / up-gradation of Department(s) or expansion of level of business. Considering the above, the Committee shall assess the availability of suitable candidates for the Company's future succession, growth and development. Further, based on the recommendation of Whole-time Directors, all Key Managerial Persons, Head of Departments and others concerned,

The Nomination and Remuneration Committee,

- shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board of Directors whether the concerned individual
- be granted an extension in term / service or
- be replaced with an identified internal or external candidates.
- shall Identify the competency requirements of Directors / Key position Employee, assess potential candidates, and develop required competency through planned development and learning initiatives. The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.
- may recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.

The recommendation of the Nomination and Remuneration Committee shall be placed to the Board for final approval. While making its recommendation, the Nomination and Remuneration Committee shall consult with the Chairman and Managing Director, as may be relevant and all key factors including the available talent within the organization and the need to ensure availability of continuous service with growth of the Company shall be carefully considered.

The Managing Director and Head-Human Resources shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.

Appointment of Key Managerial Personnel such as Company Secretary, Chief Financial Officer and other Compliance Professionals shall be made in compliance with and conforming applicable provisions of relevant laws.

## 6. Review of the Policy

In case of any amendment(s), clarification(s), circular(s) etc issued by relevant authorities, not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail and this Policy shall stand amended to that extent.

The Board of Directors of the Company has the power to replace and or amend this Policy on recommendation by the Nomination and Remuneration Committee from time to time as and when needed.

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