



INDSIL HYDRO POWER AND MANGANESE LIMITED

Corporate Identification No. (CIN) L27101TZ1990PLC002849

Regd. Off.: "Indsil House" T.V.Samy Road (West), R.S.Puram, Coimbatore – 641 002

Phone : 91 422 4522922, 3 Fax : 91 422 4522925

E-mail : indsilho@indsil.com / Website : www.indsil.com

NOMINATION & REMUNERATION POLICY

Indsil Hydro Power and Manganese Limited (the Company) believes that Human Resource asset is one of the vital factors and plays an important role in achieving the success and sustainability of an organization. The Company believes that committed work force is an invaluable asset for the organization. Keeping these facts in view, the Nomination & Remuneration Policy was adopted by the Board of Directors. The Nomination & Remuneration Policy is mainly to attract competent talents and motivate them. It also maintains in retaining such talents in the competitive market. This inter-alia is a tool to achieve the Company's objectives for good Corporate Governance and sustained long term value creation for stakeholders.

Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, require the Company to formulate a policy relating to Nomination and Remuneration of Board of Directors, Senior Management and Key Managerial Personnel. This policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

DEFINITIONS

"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;

"Key Managerial Personnel" means:

- i) the Chief Executive Officer or the Managing Director or the Manager;
- ii) the Company Secretary;
- iii) the Whole-time Director;
- iv) the Chief Financial Officer, and
- v) such other officer as may be prescribed.

"Senior Managerial Personnel" or **"Senior Management"** means the officers / personnel of the Company who are members of its core management team excluding Board of Directors and comprises of 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 includes Company Secretary, Chief Financial Officer and all functional heads.

All other words and expressions used but not defined in this policy, but defined in the the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

OBJECTIVE:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and Provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

APPOINTMENT CRITERIA

The Committee identifies persons with rich experience and recommends to the Board for appointment of Directors, Key Managerial Personnel or Senior Management level. The Committee analyses the appointee with regard to his/her skills, knowledge, experience in the required fields like finance, accounts, audit, law, management, sales, marketing, administration, research, corporate governance, technical operation and other disciplines related to the Company's business. The Committee has the discretion to decide on the age for the concerned positions depending upon the circumstances of each case.

ROLE OF COMMITTEE

The role of the Committee inter-alia is the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To operate and administer the employee stock option scheme as approved by the Board of Directors and shareholders in accordance with the regulations laid down.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend his/her appointment, as per Company's Policy.

- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution.

TERM / TENURE

a) Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time.

b) Independent Director

An Independent Director shall hold Office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold Office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed Companies as an Independent Director and three listed Companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

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

POLICY FOR REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Director

- a) The Remuneration Commission etc., to be paid to Managing Director / Whole-time Director 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 and the approvals obtained from the Shareholders of the Company, whenever necessary.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Director.

2) Remuneration to Non-Executive / Independent Directors

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of Clause (b) above if the following conditions are satisfied :
 - (i) The Services are rendered by such Director in his capacity as the Professional and
 - (ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Committee shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management

- a) The remuneration to Key Managerial Personnel and Senior Management shall

consist of fixed pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

- b) The Committee shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund etc., as decided from time to time.
- d) The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may delegate any of its powers to one or more of its members.
