

NICCO CORPORATION LIMITED
NOMINATION & REMUNERATION POLICY

1. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors of the Company have constituted the Nomination & Remuneration Committee comprising of three non-executive Independent Directors.

Section 178 of the Companies Act, 2013, inter-alia provides that the Committee shall formulate the criteria for determining qualifications, positive attitudes and independence of a Director and recommend to the Board a policy relating to remuneration for Directors, key managerial personnel (KMP) and other employees.

The Remuneration Policy of Nicco Corporation Limited (the “Company”), is designed to attract, motivate and retain quality people in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to Directors, Key Managerial Personnel and other employees of the Company as per the provisions of the Companies Act, 2013.

2. OBJECTIVE

2.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

2.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

2.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2.4. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. DEFINITIONS:

“Act” means the Companies Act, 2013 and Rules framed thereunder as amended from time to time.

“Board” means Board of Directors of the Company.

"Company" means "Nicco Corporation Limited"

"Key Managerial Personnel" (KMP) means;

- i) Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director;
- ii) Company Secretary;
- iii) Chief Financial Officer, and
- iv) Such other officer as may be prescribed.

"Senior Management" means the 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 directors, including the functional heads.

4. ROLE OF COMMITTEE

4.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 4.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 4.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 4.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

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

4.2.1. Appointment criteria and qualifications:

- a) 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.
- b) 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.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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 based on

the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4.2.2. Term / Tenure:

a) Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

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, 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. *However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.*

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.

4.2.3. Evaluation:

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

4.2.4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managing Director / Executive Director / Whole Time director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

4.2.5. Retirement:

The Managing Director / Executive Director / Whole Time director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managing Director / Executive Director / Whole Time director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

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

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing 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.

Appointment and Re-appointment, if any, of Executive Directors/ Whole time Directors including remuneration and other terms and conditions thereof shall be in accordance with the provisions of Section 196, 197 of the Companies Act, 2013 read with Schedule V appended thereto. The Committee will recommend the appointment or re-appointment, if any, of any of the Executive/ Whole time Directors to the Board and same will be approved by the shareholders at General meetings by passing the necessary resolution in terms of provisions of Companies act, 2013.

The components of remuneration package may include the following: -

- Basic Pay
- Allowances
- LTA
- Any other perks and benefits.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive/ Whole Time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

If any Executive/ Whole Time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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.

Remuneration to Non-Executive/Independent Director:

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

Remuneration to other Employees:

Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

5. BOARD DIVERSITY

The Board shall consist of such number of Directors, including atleast one woman Director and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

When the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board comprise independent directors.

The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that will bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

6. REVIEW AND AMENDMENT

This Policy may be amended by the Committee or by the Board as and when required whenever there is any statutory change necessitating the change in the policy.