

## **Nomination and Remuneration Policy**

### **1. INTRODUCTION**

- 1.1 The Company considers human resources as its invaluable assets. 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 in terms of Section 178 of the Companies Act, 2013 and approved by the Board of Directors vide Resolution dated August 14, 2014. This policy shall act as a guideline for determining qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employee and to harmonise the aspirants of human resources consistent with the goals of the Company.

### **2. OBJECTIVE**

The objectives of this police are:

- 2.1 To lay down criteria for identifying persons who are qualified to become Directors (Executive and Non-Executives) and who may be appointed in Senior Management, Key Managerial position and to determine their remuneration.
- 2.2 To formulate the criteria for determining qualification, positive attributes and Independence of a Director (Executive and Non-Executives).
- 2.3 lay down criteria, relating to remuneration of Directors, key managerial personnel and other employees.
- 2.4 To guide the Board in relation to appointment and removal of Directors, Senior Management, Key Managerial Personnel and other employees.
- 2.5 To formulate the criteria for evaluation of performance of the members of the Board and provide necessary report to the Board for further evaluation.

### **3. DEFINITIONS**

- 3.1 'Act' means the Companies Act, 2013 and rules thereunder.
- 3.2 'Directors' or 'Board' means the Board of Directors of the Company.
- 3.2 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 3.3 'Company' means Betul Oil Limited.
- 3.4 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013.
- 3.5 'Key Managerial Personnel' (KMP) means:

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

3.6 'Senior Management Personnel' mean employees 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.

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.

#### **4. CONSTITUTION**

- 4.1 The Board shall determine the membership of the Committee.
- 4.2 The Committee will consist of three or more non-executive Directors, of which not less than one-half shall be independent directors.
- 4.3 Chairperson of the Company may be appointed as a member of the Committee but shall not chair such Committee.
- 4.4 Chairman of the Committee shall be an Independent Director.
- 4.5 The Committee will meet at such intervals as deems fit to carry out the objectives set out in the Policy. A quorum for the committee meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deem fit. The Company Secretary shall act as Secretary to the Committee.

#### **5. APPOINTMENT AND REMOVAL.**

##### **5.1 CRITERIA FOR IDENTIFYING PERSONS WHO ARE QUALIFIED TO BE APPOINTED AS A DIRECTOR / KMP / SENIOR MANAGEMENT PERSONNEL / OTHER EMPLOYEES OF THE COMPANY:**

- i. 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.
- ii. 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 is sufficient / satisfactory for the concerned position.

- iii. Appointment of Director / Independent Directors / KMP / Senior Management Personnel is subject to compliance of provisions of the Companies Act, 2013, read Schedule and rules framed thereunder, or any other enactment for the time being in force.
- iv. The Company should ensure that the person so appointed as Director / Independent Director / KMP / Senior Management Personnel shall not be disqualified under the Companies Act, 2013, read with rules framed thereunder, or any other enactment for the time being in force.
- v. The other employees shall be appointed and removed as per the policy and procedure of the Company.

## **5.2 TERM / TENURE**

- i. The Term/Tenure of the Directors / KMP / Senior Management Personnel and other employees shall be as per the Company's prevailing policy subject to the provisions of the Companies Act, 2013 and rules framed thereunder as amended from time to time.

## **5.3 RETIREMENT**

- i. The Director, KMP, senior management & other employees shall retire as per the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder 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.
- ii. 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Seventy years.

## **5.4 REMOVAL**

- i. Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **6. REMUNERATION**

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate Directors, KMP's, Senior Management and other employees of the Company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed

and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **6.1 DIRECTORS / MANAGING DIRECTOR**

- i. Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Directors / Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules framed thereunder or any other enactment for the time being in force.

#### **6.2 NON-EXECUTIVE DIRECTORS**

- i. The Non-Executive Independent Directors will be paid commission as decided by the Board of Directors subject to ceiling / limits as provided under the Companies Act, 2013 and rules framed thereunder.
- ii. The Non-Executive Independent Director will receive remuneration by way of sitting fees, if decided by the Board of the Company, for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules framed thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock option, if any.

#### **6.3 SENIOR MANAGEMENT PERSONNEL / KMPS**

- i. The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Whole-time Director and CFO of the Company.

#### **6.4 OTHER EMPLOYEES**

- i. The power to decide structure of remuneration for other employees has been delegated to the Whole-time Director and CFO of the Company or any other employee that the Whole-time Director and CFO may deem fit.

### **7. DIVERSITY**

- 7.1 The Board shall at all times promote and welcome diversity, equal opportunities and gender mix in its composition with due recognition and weightage to the skills, experience and business acumen of the directorship candidatures.
- 7.2 The Board will review the appropriate skills, experience and knowledge required of the Board members, in the context of the needs of the Company's and the Group's businesses and strategies.
- 7.3 The Board will review its composition and size from time to time to ensure its appropriateness and the fulfillment of the gender diversity representation.

## **8. EVALUATION**

- 8.1 The Committee, if deemed necessary, may carry out evaluation of performance of every Director, KMP and Senior Management Personnel at such interval and in such manner as it deem appropriate.

## **9. DISCLOSURES**

- 9.1 This Remuneration policy and criteria of making payments to non-executive Director's shall be disclosed in the Board's report.

## **10. AMENDMENTS TO THE POLICY**

- 10.1 The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.
- 10.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment clarification(s), circular(s) etc.