



# **NOUVEAU GLOBAL VENTURES LIMITED**

## **APPOINTMENT AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

### **1. OBJECTIVE:**

We design our Remuneration Policy to attract, motivate and retain the Directors, KMP and other employees who are the drivers of organization's success and help us to run the company successfully and to retain our industry competitiveness.

### **2. POLICY ON BOARD DIVERSITY:**

The Board of Directors shall have the optimum combination of Directors including one Woman Director from different areas/fields like production, Technology management, Finance, Sales & marketing, Human Resources, Administration etc or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

#### **2.1 Policy for Appointment and Removal of Director, Senior Management Personnel & KMP:**

##### **❖ Selection Criteria for Directors:**

The Company shall consider the following aspects while appointing a person as a Director on the Board of the Company:

- i) **Skills and Experience:** The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business.
- ii) **Age Limit:** The candidate should have completed the age of twenty-one (21) years and should not have attained the age of seventy (70) years.
- iii) **Directorship:** The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Companies Act, 2013 or under the Listing Agreement requirements.
- iv) **Independence:** The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act or under the Listing Agreement requirements.

The policy provides that while appointing a Director to the Board, due consideration will be given to:

- Approvals of the Board and/or shareholders of the Company in accordance with the Companies Act, 2013 ; and
- The Articles of Association of the Company.

❖ Selection Criteria for Senior Management Personnel & KMP

For the purpose of this policy Senior Management shall mean all the members of management one level below the executive directors, including all functional heads of the Company. The policy provides that the candidate should have appropriate qualifications, functional expertise and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the Company.

❖ Removal:

i) Directors & KMPs:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and KMP subject to the provisions and compliance of the Companies Act, 2013 rules and regulations there under.

ii) Senior Management Personal:

The Senior Management Personnel shall retire as per the prevailing policy of the Company. The Committee will have the discretion to retain the Senior Manager Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company based on the recommendation of Board of Directors.

**3. PERFORMANCE EVALUATION OF DIRECTORS:**

The Nomination & Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

3.1 Role & Accountability

- Understanding the nature and role of Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

3.2 Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

3.3 Leadership & Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

### 3.4 Personal Attributes

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

## 4. REMUNERATION FOR DIRECTORS, KMP AND OTHER EMPLOYEES:

### 4.1 Key Principles for determining Remuneration:

The policy provides that the remuneration of Directors, KMP and other employees shall be based on the following key principles:

- Pay for performance: Remuneration of Executive Directors, KMP and other employees is a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal. The remuneration of Non-Executive Directors shall be decided by the Board based on the profits of the Company and industry benchmarks.
- Balanced rewards to create sustainable value: The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation.
- Recognition: Utilize effective practices that are supported by innovative programs that reinforce our desired culture and make us a special place to work.
- Annual Performance Linked Enhancement- Enhancement that recognizes the performance of the resource keeping in view the achievement of organizational goals & Departmental goals.
- Competitive compensation: Total target compensation and benefits are comparable to peer companies in the same industry and commensurate to the qualifications and experience of the concerned individual.

### 4.2 Remuneration:

#### a. Remuneration to Managing/Whole-time /Executive -Director

The NRC shall ensure that the Remuneration/ Compensation/ Commission etc. to be paid to Managing Director(s), C.E.O., Whole-time Directors, Manger, if any are in accordance with the provisions of Chapter XIII (Sections 196 to 203) read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any other enactment for the time being in force and on the recommendation of Committee to the Board for its approval.

#### b. Remuneration to Non- Executive / Independent Director:

The NRC may recommend remuneration / compensation / commission and a suitable sitting fee, to non-executive directors as may be prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 subject to ceiling/ limits mentioned therein or any other

enactment for the time being in force and on the recommendation of Committee to the Board for its approval.

c. Remuneration to KMP:

The Committee will recommend the remuneration to be paid to the KMP to the Board for their approval as per the provisions of the Act/ Policy of the Company. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors or KMPS of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and variable pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.

d. Remuneration to Senior Management Personnel:

The Committee will recommend the remuneration to be paid to the Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the Company successfully. The same should be reviewed periodically to make any adjustment based on the market. The remuneration of such persons shall be in accordance with performance criteria defined for the role through performance management system to achieve the company's goal. The remuneration should be a balance of fixed and incentive pay which will be determined by fixed pay components and executive incentives scheme applicable to their level as and when in place.

## **5. FAMILIARIZATION PROGRAM**

The Management will familiarize the Independent Directors on the following:

- 5.1 Company's History, Structure and the Business Model;
- 5.2 Memorandum & Articles of Association of the Company;
- 5.3 Past 3 (three) years accounts and any important factors in the accounts of the Company;
- 5.4 Interaction with other Directors on the Board and with the Senior Executives of the Company.

## **6. REVIEW AND AMENDMENT:**

- The Nomination & Remuneration Committee or the Board may review the Policy as and when it deems necessary.
- The Nomination & Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- This Policy may be amended or substituted by the Nomination & Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.