

NOMINATION AND REMUNERATION POLICY



Epigral Limited

(formerly known as **Meghmani Finechem Limited**)
Epigral Tower, Behind Safal Profitaire, Corporate Road
Prahlanagar, Ahmedabad 380015, Gujarat, India.

T +91 79 2970 9600
E info@epigral.com
W epigral.com

1. OBJECTIVE

The Nomination and remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and SEBI (LODR) Regulations, 2015 as amended from time to time.

The Key Objectives of the Committee would be:

- a. To guide and assist 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.
- d. To retain, motivate and promote talent and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company
- e. plan for the Board and to regularly review the plan;

2. DEFINITIONS

(a) Key Managerial Personnel:

Key Managerial Personnel means-

- (i) Chief Executive Officer or the managing director or the manager;
- (ii) Company secretary,
- (iii) whole-time director;
- (iv) Chief Financial Officer; and
- (v) Such other officer as may be prescribed

(b) Senior Management:

Senior Management means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer / Managing Director /whole time director/manager (including chief executive officer/manager, in case not part of the board) and shall specifically include company secretary and chief financial officer.

3. ROLE OF COMMITTEE

The role of the Committee will, inter alia be the following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) To recommend to the Board on the appointment of new executive and non-executive directors;
- c) To recommend to the Board the appointment and removal of Senior Management.
- d) To carry out evaluation of Director's performance and recommend to the Board appointment/ removal based on his/ her performance.
- e) To review the Board structure, size and composition, having regard the principles of the Code;
- f) Assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
- g) Put in place plans for succession, in particular, for the Chairman of the Board and Chief Executive Officer of the Group;
- h) Determine, on an annual basis, whether a director is independent taking into account the circumstances set forth in Guideline 2.1 of the Code and any other salient factors;
- i) Make recommendations to the Board for the continuation in services of any Executive Director who has reached the age of seventy years;
- j) Recommend directors who are retiring by rotation to be put forward for re-election;
- k) Decide whether or not a director is able to and has been adequately carrying out his duties as a director of the Company, particularly when he has multiple board representations;
- l) Recommend to the Board internal guidelines to address the competing time commitments faced by directors who serve on multiple boards; and
- m) Assess the effectiveness of the Board as a whole and for assessing the contribution of each individual director to the effectiveness of the Board on an annual basis
- n) Devising a policy on Board diversity;
- o) To recommend the Board on policy and frame work relating to remuneration for (i) Directors (ii) Executive Directors (iii) Key Managerial Personnel and (iv) Senior Management remuneration and incentive package.
- p) All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the Remuneration Committee.
- q) Reviewing and enhancing on the compensation structure to incentive performance base for key executives;
- r) Ensure that the remuneration packages are comparable within the industry and comparable companies and include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive director's performance.

- s) To facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.
- t) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- u) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- v) Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the NRC by the Board of Directors from time to time;
- w) to develop a succession plan for the Board and to regularly review the plan;

The search and nomination process for new directors are through personal contacts and recommendations of the Director. NRC will review and assess candidates before making recommendation to the Board. NRC will also take the lead in identifying, evaluating and selecting suitable candidate for new directorship. In its search and selection process, NRC considers factors such as commitment and the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees.

4. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

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

9. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. DUTIES OF THE COMMITTEE

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board; Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board.
- To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- recommend to the board, all remuneration, in whatever form, payable to senior
- Professional indemnity and liability insurance for Directors and senior management.
- To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- To consider any other matters as may be requested by the Board;

11. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded 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 meeting.

12. POLICY REVIEW

This policy will be reviewed and amended as and when required by the Board of Directors and/or its Committees.

13. WEBSITE

The policy shall be disclosed on the website of the Company.
