

# **INTERNATIONAL CONVEYORS LIMITED**

## **NOMINATION AND REMUNERATION POLICY**

### **Introduction**

The Board of Directors of International Conveyors Limited has adopted the nomination and remuneration policy in terms of Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) read with Part – D of Schedule II to the said Regulations and Section 178 of the Companies Act, 2013 (the “Act”) upon recommendation of Nomination and Remuneration Committee (“the Committee”).

### **Purpose**

The purpose of this Policy is to identify persons who are qualified to become Directors and to be appointed in senior management as well as formulating the criteria for determining qualifications, positive attributes and independence of director and senior management.

### **Policy Objectives**

This Policy has been formulated in accordance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and Regulation 19 of the SEBI LODR Regulations. The objectives of this policy is as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a directors, Key Managerial Personnel and Senior Management.
2. Identifying persons who are qualified to become Directors, Key Managerial Personnel and to be appointed as Senior Management
3. Advising the Board of Directors on the appointment, re-appointment and dismissal of Directors, Key Managerial Personnel and Senior Management.
4. Review the performance of Directors, Key Managerial Personnel and Senior Management and report such evaluation to the Board of Directors.
5. Monitoring the diversity of Board of Directors.
6. Recommend to the Board remuneration payable to Directors, Key Managerial Personnel and Senior Management.
7. Recommend to the Board relating to extension of terms of appointment with the Independent directors on the basis of evaluation report.
8. Rewarding Key Managerial Personnel and Senior Management for their commitment, performance, dedication and achievements in relation to the company’s activities.

9. Checking the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
10. Evaluating the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
11. Preparing a succession plan for the Board, Key Managerial Personnel and Senior Management and to review the plan regularly.
12. Policy should ensure retention, motivation and long term sustainability of talented managerial person and create competitive advantage.

### **Review and Interpretation**

This Policy may be reviewed, amended or substituted by the Board on the recommendation of the Committee as and when required and where there are any statutory changes necessitating any change in the Policy.

Any subsequent notifications, circulars, guidelines or amendments under the Act and the SEBI LODR Regulations as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this Policy.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neutral gender.

### **Role of the Committee**

The role of Nomination and Remuneration Committee is stated below. The committee shall:

1. Identify persons who are qualified to become Directors and who may be appointed as Senior Management.
2. Recommend to the Board appointment and removal of Directors, Key Managerial Personnel and other employees
3. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
4. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
5. Effective evaluation of performance of Board, its committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
6. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

## **Appointment Criteria and Qualifications of Directors, Key Managerial Personnel and Senior Management Personnel**

1. A person shall be considered for appointment as an Independent Director on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 149 of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations.
2. 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.
3. 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.

### **Tenure**

#### **a) Managing Director/Executive 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. No re-appointment shall be made earlier than one year before the expiry of term.

#### **b) Independent Director:**

An Independent Director as per section 149(10) of the Act pursuant to Regulation 17 of SEBI LODR Regulation 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 as per section 149(11) of the Act 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.

At the time of appointment of Independent Director it should be ensured that as per Regulation 17(A) of SEBI LODR Regulations 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 and the SEBI LODR Regulations.

## **Evaluation**

The Committee shall evaluate the performance of every Directors, Key Managerial Personnel and Senior Management and other employees at regular intervals.

Evaluation process shall be conducted for the Board as a whole, Board Committees and also for the Directors individually.

Performance evaluation of the Independent Directors shall be carried out by the entire Board, except the Independent Directors being evaluated.

## **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **Remuneration**

- a) The remuneration / compensation / commission etc. to the Executive Directors, Key Managerial Personnel and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
- b) The remuneration and commission to be paid to the Executive Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors or within the limits as mention under section 197 of the Act.
- d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act.
- e) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. However, proportionate Insurance Premium paid for Group Medclaim Policy or Group Personal Accident Policy shall be considered as part of the overall remuneration for the individual directors/employees of the Company.

- f) The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the prescribed limits i.e. Rs. 30,000/- for each Board Meeting and Rs. 5,000/- for each Committee Meeting or such amount as may be decided by the Board of Directors from time to time.
- g) An Independent Director shall not be entitled to any stock option, if any, of the Company.
- h) The remuneration payable to any one Managing Director; or Executive Director or Manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such Directors and Manager taken together.
- i) The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable.

### **Membership and Quorum**

The composition of the Committee shall be in compliance with the provisions of the Act, and the SEBI LODR Regulations.

The Committee shall comprise of at least three Non-Executive Directors out of which at least fifty percent of the directors shall be Independent Directors.

Minimum two members or one third members, whichever is greater, out of which at least 1 Independent Director shall constitute a quorum for the Committee meeting.

Membership of the Committee shall be disclosed in the Annual Report.

Term of the Committee shall be continued unless terminated by the Board of Directors.

### **Chairperson**

Chairperson of the Committee shall be an Independent Director.

Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

Chairperson 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.

### **Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required but at least once in a year.

### **Committee Members' Interests**

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.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **Secretary**

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

### **Nomination Duties**

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

1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Identifying and recommending Directors who are to be put forward for retirement by rotation;
4. Determining the appropriate size, diversity and composition of the Board;
5. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
6. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
7. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
8. 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;
9. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
10. Recommend any necessary changes to the Board; and
11. Considering any other matters, as may be requested by the Board.

### **Minutes of the Committee Meetings**

The minutes of the proceedings of each committee meeting shall be entered in the minute book and shall be signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

The Company reserves the right to modify the aforesaid Policy as and when required to adopt the best practices in the Industry and to comply with the requirements of the applicable legislations.