

ELECTRONICA TUNGSTEN LIMITED

Registered Office: E-1, MIDC Malegaon, Sinnar, Dist. Nashik, 422113

CIN: U24110MH1988PLC046652

Email: exim@toughcarb.com

Tel: +91 2551-230203

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Factory Mobile No.: 9822804205

NOMINATION AND REMUNERATION POLICY

❖ Introduction:

The Company considers the human resources as its invaluable assets. This policy on the nomination and remuneration of Directors, Key Managerial Personnel, (KMPs) and other employees have been formulated in compliances with section 178 of Companies Act, 2013 along with the applicable rules thereto as amended from time to time in order to pay equitable remuneration to the Directors, KMPs, and the employees of the Company and to harmonize the aspirations of the human resources consistent with the goals of the Company.

It is the endeavor of Electronica Tungsten Limited ("Company") that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible

The Company strives that its Remuneration Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.

❖ Definition:

1. Remuneration means any money, or its equivalent given or passed to any person for the services rendered by him and includes perquisites as defined under the Income Tax Act, 1961

2. Key Managerial Personnel means-

i. The Managing Director or the Chief Executive Officer or the Manager or the Whole Time Director

ii. The Company Secretary

iii. The Chief Financial Officer

iv. Such other persons as may be prescribed.

3. Senior Management means the senior management personnel of the Company who are the members of its core management team excluding the Board of Directors including the Functional Heads

4. Committee means Nomination and Remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.

5. Company means Electronica Tungsten Limited

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6. Board means the Board of Directors of the Company

7. Director means Directors of the Company

8. Independent Director means the Director referred to in section 149(6) of the Companies Act, 2013 and the rules made thereunder

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

❖ **Objective and Role:**

The Key Objectives and role of the Committee would be:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To formulate the criteria for determining qualifications, positive attributes and independence of a director
- c. The formulation of criteria for evaluation of Independent Director and the Board.
- d. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- e. To recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- f. To devise a policy on Board diversity
- g. To identify the persons who are qualified to be directors and the key managerial personnel in accordance with the criteria laid down in this policy.
- h. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- i. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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❖ **Applicability:**

The policy shall be applicable to:

- a. Directors (Executive and Non Executive)
- b. Key Managerial Personnel
- c. Senior Management Personnel
- d. Other Employees

❖ **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Board had constituted the Nomination and Remuneration Committee in the Board Meeting held on 19th January 2018. The constitution of the Committee is in accordance with the provisions of section 178 of the Companies Act 2013. The Board has the authority to reconstitute this committee from time to time.

❖ **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

- i. The Committee shall identify and ascertain integrity, qualification, expertise and experience of the person for the appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- ii. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfaction for the position.
- iii. 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 such a person may be appointed as a Whole Time Director beyond his/ her age exceeding seventy years with the approval of Shareholders by passing a special resolution.

➤ **TERM/ TENURE:**

A. Managing Director / Whole Time Director

Presently the company has appointed its Managing Director and Whole Time Director for a period of three years. No reappointment shall be made earlier than one year before the expiry of term.

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B. Independent Director:

An Independent Director can hold office for a term of five years on the Board of the Company and will be eligible for reappointment on passing 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 of upto 5 years, 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 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 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.

➤ **EVALUATION:**

The Committee shall carry out the evaluation of performance of Director, KMP, and senior management personnel yearly or at such intervals as may be considered necessary. All the directors are requested annually to provide their assessment of the performance of the Board and its Committees by way of response to a questionnaire. Additionally, all Board members will be asked to do a self-evaluation of their performance annually. The performance of executive directors will be evaluated by the Nomination and Remuneration Committee. The performance evaluation of Independent Directors shall be done by entire board of directors excluding the director being evaluated.

➤ **REMOVAL:**

The Committee may recommend with reasons recording in writing, removal of a director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

➤ **RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act, 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

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❖ POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL:

I. Remuneration to Managing Director/ Whole Time Directors:

The Remuneration / Commission etc, to be paid to Managing Director/ Whole Time Directors, etc, Shall be governed as per the provisions of the Companies Act, 2013 and the rules made thereunder or any enactment for the time being in force and the approval obtained from the Members of the Company. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors from as it may consider the appropriate with regards to the remuneration to Managing Director/ Whole Time Director.

II. Remuneration to Non Executive Directors/ Independent Directors:

A. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

B. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

C. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

D. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (B) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

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III. Remuneration to Key Managerial Personnel and Senior Management:

A. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

B. The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

C. The Incentive pay, if any, be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

❖ IMPLEMENTATION:

The Committees may issue guidelines, procedures, formats, reporting mechanism and manuals in supplements and for better implementation of this policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members