

# **RING PLUS AQUA LIMITED**

## **REMUNERATION & NOMINATION POLICY**

## 1. Introduction

This policy on remuneration and nomination of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Remuneration and Nomination Committee to align the objectives and goals of the Company with the requirements of the Companies Act, 2013 (CA 2013), as amended from time to time.

## 2. Definitions

“Act” means the CA 2013 and the Rules framed thereunder as may be amended from time-to-time.

“Board” means the Board of Directors of the Company.

“Company” means Ring Plus Aqua Limited.

“Committee” means the Remuneration and Nomination Committee of the Board of Directors.

“Compliance Officer” means the Company Secretary of the Company

“Directors” means members of the Board of Directors of the Company.

“Executive Director” means the Managing Director, Whole time Director, as the case may be and includes Directors who are in the full time employment of the company

“Key Managerial Personnel” shall have the same meaning as in Section 2 (51) of the CA 2013.

“Senior Management” mean personnel of the Company who are members of the core management team comprising all members of management one-level below the Executive Directors of the Board (excluding Members of the Board of Directors).

The words and expressions used in this policy not defined herein above will have the same meaning as defined in the CA 2013 including any amendments made from time-to-time.

## 3. Applicability

This Policy is applicable to:

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

#### **4. Objective**

The objective of this policy is to ensure compliance with Section 178 of the CA 2013 read with the applicable Rules and to lay down a framework in relation to remuneration of Directors, KMPs and Senior Management of the Company. This policy also lays down a criteria for recommending the appointment of Board Members (Independent Directors, Non-Executive Directors and Executive Directors).

#### **5. Duties in relation to Nomination and Remuneration**

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

- 5.1 to help in determining the appropriate size, diversity and composition of the Board;
- 5.2 to recommend to the Board appointment/re-appointment and removal of Directors;
- 5.3 to frame criteria for determining qualifications, positive attributes and independence of Directors;
- 5.4 to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the CA 2013 is to be considered);
- 5.5 to create an evaluation framework for Independent Directors and the Board;
- 5.6 to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- 5.7 to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- 5.8 delegation of any of its powers to any Member of the Committee or the Compliance Officer.

#### **6. Criteria for determining qualifications, positive attributes and independence of Directors**

The Committee shall identify:

- a. Persons who possess adequate qualifications, expertise and experience for the position he / she is considered to be appointed. The person should have knowledge of at least one or more domain areas like, finance, law, management, sales, marketing, administration, research, governance, strategy, operations or other disciplines related to the Company's business.
- b. Person shall uphold ethical integrity, have a pedigree of acting objectively, shall have no adverse order(s) passed by any Regulatory body, should have a proven track-record of meeting professional obligations including a reputation to manage challenges.

- c. An Independent Director should meet with requirements of the CA 2013 read with Schedule IV of the Act.
- d. An Independent Director shall hold office for a term of 5 consecutive years and will be eligible for re-appointment on passing of a special resolution by the Company and following the procedure under the CA 2013.
- e. No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each. In the event the same person is to be appointed as an Independent Director after two consecutive terms of two years, a cooling period of 3 years is required to be fulfilled.

## **7. Evaluation, Retirement and Removal of Director/KMP/Senior Management**

The Committee shall carry out the evaluation of performance of Directors at annually (yearly). However, for KMPs (non-Board) and Senior Management, the Chairman is to be authorised to complete the performance evaluation.

Directors, KMPs and Senior Management shall retire as per the applicable provisions of the Act and the prevailing Company policy. In the event any Director, KMP and Senior Management attracts any disqualification mentioned in the Act or under any Law, the Committee may recommend to the Board the removal of the said Director, KMP or Senior Management.

## **8. Tenure of Executive Director(s)**

The Company shall appoint or re-appoint Executive Directors 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 of the concerned Executive Director.

## **9. Remuneration to Executive Directors/ KMP (non-Board) / Senior Management**

The remuneration to the Executive Directors shall be governed by the provisions of the CA 2013 and Rules made there under or any other enactment for the time being in force. The remuneration shall take into account the Company's Standalone and Consolidated performance, the contribution of the Executive Directors for the same, remuneration trends in general, meeting of appropriate benchmarks (such as remuneration paid in like-size companies) and which will ensure and support a high performance culture. The Executive Directors will also be entitled to sitting fees as paid to Non-Executive and Independent Directors (unless specifically waived by them or not entitled in terms of their respective agreements).

The remuneration to the other KMPs (non-Board) and Senior Management will be benchmarked on the remuneration package prevailing in the country and industry and will have a fixed component and a performance based component. The KMP and Senior Management will have a well-defined appraisal and performance evaluation framework. This will be monitored by Human Resource Department of the Company and approved by the Chairman.

The Non-Executive Directors and Independent Directors will receive sitting fee/ commission as per the provisions of the CA 2013. The amount of the sitting fee will not exceed the ceiling / limit under the CA 2013 and Rules made thereunder. An Independent Director will not be eligible to any stock option of the Company.

The Board of Directors will from time-to-time fix the sitting fees for attending the meetings of the Board and its Committees on the recommendations of the Committee. Effective from 23th July, 2014 the Board of Directors have fixed the sitting fees payable to Directors for attending the Meetings of the Board and its respective Committees.

The Non-Executive Directors and Independent Directors will be paid commission in aggregate an amount of 1% of the standalone Net Profit of the Company in the financial year as calculated in terms of Section 198 read with Section 197 of the CA 2013, subject to the approval of shareholders. The Commission to Non-Executive Directors and Independent Directors will be paid on a uniform basis to reinforce the principle of collective responsibility. If a Non-Executive Director or Independent Director works as such only for a part of the year, he will be paid commission for the relevant financial year on a proportionate basis for the period during which he held the post of such Director. The commission will be payable only after the Annual Audited Financial Statements are approved by the shareholders at the Annual General Meeting of the Company. The Non-Executive Directors and Independent Directors may forego receiving of commission/sitting fees by making a request to the Board.

The Company will bear the Service Tax, if any, payable on the commission to the Non-Executive Directors and Independent Directors. The payment of service tax by the Company could result in exceeding the limit of 1% of the standalone net profit of the Company which will not require the approval of the Central Government as per the General Circular 24/2012, F.No.14/33/2012-CL.VII dated 9th August, 2012 issued by the Ministry of Corporate Affairs.

## 10. Review and Amendment

This policy may be reviewed and amended by the Committee as and when required. The policy or any amendment thereto will require the approval of the Board.

\*\*\*\*\*