

# **NOMINATION AND REMUNERATION POLICY**

## **INTRODUCTION**

The Board of Directors of Econo Trade India Limited constituted the "Nomination and Remuneration Committee", consisting of three (3) Non-Executive Independent Directors with Mr. Irfan Ahmedbhai Belim as the Chairman and Mr. Solanki Ashvinbhai Naranbhai and Mrs. Jyoti Sureshbhai Kantariya as Members. The Nomination and Remuneration Committee constituted by the Board of Directors and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

## **OBJECTIVES**

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board.
3. To recommend to the Board on Sitting fees payable to the Directors.
4. To recommend to the Board on remuneration of Key Managerial Personnel and Senior Management.

## **ROLE OF THE COMMITTEE:**

- ▶ To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ▶ To formulate criteria for evaluation of every director's performance.
- ▶ To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- ▶ To carry out evaluation of director's performance.
- ▶ To recommend to the Board the appointment and removal of directors and Senior Management and the remuneration for the directors, key managerial personnel and other employees.
- ▶ To perform such other functions as may be necessary for the performance of its duties.

## **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

a) 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 his / her appointment, as per Company's Policy.

b) 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 for the position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### **TENURE OF APPOINTMENT**

##### **a) Managing Director/Whole-time Director (Managerial Person):**

The Company shall appoint or re-appoint any person as its Executive Chairman, 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 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 for more than two consecutive terms of upto maximum of 5 years each, 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 number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director. The Independent Directors are required to provide the Company with a Declaration every year of their independence.

#### **EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

#### **REMOVAL**

The Committee may recommend with reasons recorded 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.

## **RETIREMENT**

The Directors, 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.

## **PROVISIONS RELATING TO REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT**

### **1) Remuneration to Managing Director/ Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director /Whole-time Directors.

### **2) Remuneration to Non- Executive/ Independent Directors:**

The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board and Committee thereof and 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 and shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### **3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall be based on the experience, qualification and expertise of the related personnel and shall consist of fixed and such variable pay which is in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The fixed pay shall include monthly remuneration as basic salary and any other allowances which may include reimbursement of telephone expenses, club expenses, medical benefits, leave travel assistance, personal accident insurance, etc as may be decided from to time.

## **DUTIES IN RELATION TO NOMINATION MATTERS**

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

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness.
- Ensuring that on appointment to the Board, all Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act

- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective
- Recommend any necessary changes to the Board and
- Considering any other matters, as may be requested by the Board.

#### **DUTIES IN RELATION TO REMUNERATION MATTERS**

##### **The duties of the Committee in relation to remuneration matters include:**

- Considering and determining 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 keeping in mind the activities and performance of the company and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and other allowances and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.
- Considering any other matters as may be requested by the Board.

#### **MEETINGS**

(1) Meetings - The meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being.

The Chairman shall preside over all Committee meetings. However, the Chairman/Chairperson of the company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee.

(2) Minutes - Minutes of the meetings shall be recorded and maintained by the Company and shall be presented to the Committee for approval at its subsequent meeting.

(3) Quorum - The quorum for the Committee meeting shall be one third of its total strength or two directors, whichever is higher, including atleast one independent director in attendance.

#### **REPORTING TO THE BOARD**

The Chair shall report to the Board on material matters arising at the Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

#### **IMPLEMENTATION**

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

**DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons in the interest of the company to do so in an individual case.