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**NOMINATION AND REMUNERATION POLICY**

**OF**

**METROGlobal Limited**

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## **NOMINATION AND REMUNERATION POLICY**

(Under Section 178 of the Companies Act, 2013)

### **I. PREAMBLE:**

Pursuant to Section 178 of the Companies Act, 2013 read with rule made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, Every Public Company falling under such class or classes of Companies as may be prescribe in the rules, 2014, shall require to constitute the Nomination and Remuneration Committee.

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibility related to human resource management and compensation.

Accordingly this Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto to discharge the obligation specified therein.

This policy may be called **METROGlobal Limited** Nomination and Remuneration Policy and shall be effective from April 01, 2014.

### **II. OBJECTIVE / PURPOSE:**

The key objectives of this policy would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To establish a framework for the remuneration of Directors, Key Managerial Personnel and other employees.
- c) To evaluate the performance of the members of the Board, various committees and individual directors and provide necessary report to the Board for further evaluation.

### **III. DEFINITIONS**

- “ACT” means Companies Act, 2013.



- **“Board”** means Board of Directors of the Company.
- **“Company”** means **“METROGlobal Limited.”**
- **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- **“Key Managerial Personnel” (KMP)** 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 designated as KMP either by Company or under the Companies Act.
- **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- **“Policy or This Policy”** means this Policy, as amended from time to time.
- **“Senior Management”** mean personnel of the Company who are member of its core management team excluding Board of Directors. This would include all senior members of management defined by the Board of Directors of the Company.

#### **IV. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 as amended from time to time.

#### **V. APPLICABILITY**

This policy is applicable to:

1. Directors viz. Executive, Non-executive, Independent
2. Key Managerial Personnel



3. Senior Management

**VI. GUIDING PRINCIPLES**

The Policy ensures that:

- 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.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**VII. ROLE OF THE COMMITTEE**

The role of the Committee inter alia shall be as follows:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Identify persons who are qualified to become Directors, KMP and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- c) To carry out evaluation of every Director's performance.
- d) To recommend to the Board the appointment and removal of Directors and Senior Management.
- e) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- f) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- g) To perform such other functions as may be necessary or appropriate for the performance of its duties.

**VIII. MEMBERSHIP**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half of them shall be Independent.



- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and applicable statutory requirement.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

**IX. CHAIRMAN**

- a) The Chairman of the NRC shall be elected from among the members who is an Independent Non-Executive Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) The Chairman of the Nomination and Remuneration Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries in case he is unable to attend the Annual General Meeting.

**X. FREQUENCY OF MEETINGS**

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

**XI. 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.

**XII. VOTING**

1. 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.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.



**XIII. SECRETARY**

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

**XIV. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

➤ **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his / her appointment.
2. 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.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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.

➤ **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person):  
The Company shall appoint or re-appoint any person as its Managerial Person 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.
2. 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, 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.

➤ **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP at regular interval (yearly).

➤ **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

➤ **Retirement:**

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**XV. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON AND KMP**

**General:**

1. The remuneration / compensation / commission etc. to Managerial Person and KMP 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 and Central Government, wherever required under the provisions of the Companies Act, 2013 & Rules made thereunder.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.



3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be as per Policy of the Company in force, in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP 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.

**Remuneration to Managerial Person and KMP:**

➤ **Fixed pay:**

Managerial Person and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

➤ **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

➤ **Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.





**Remuneration to Non-Executive / Independent Director:**

➤ **Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

➤ **Sitting Fees:**

The Non- Executive / Independent Director 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 maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

➤ **Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

An Independent Director shall not be entitled to any stock option of the Company.

**XVI. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minutised and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**XVII. REVIEW/ AMENDMENTS**

Subject to the approval of board of directors, the "Nomination and Remuneration Committee" reserves its right to review and amend this policy or replace the policy entirely with a new policy, if required, to ascertain its appropriateness as per the needs of the company. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force. All such amendments/modifications shall take effect from the date stated therein.

**XVIII. 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 to do so in an individual case.

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