

(Annexure-A)

NOMINATION AND REMUNERATION POLICY

LEGAL FRAMEWORK UNDER COMPANIES ACT, 2013

Pursuant to section 178 of the Companies Act, 2013 (The Act) and Rules made thereunder that every listed company and companies belonging to the class or classes of companies shall constitute a Nomination and Remuneration committee (NRC) and the NRC shall do all the acts as required under Companies Act, 2013.

As an organization, Ganga Acrowools Limited (GAL) is covered by these rules.

OBJECTIVES OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee shall:

- Identify persons who are qualified to become Directors, Key Managerial Personnel (KMP) and who may be appointed in Senior Management positions.
- Recommend to the Board of Directors of GAL for appointment and removal of Director/s, KMP and Senior Management Personnel.
- Formulation of criteria for performance evaluation of the Independent Director and of the Board of Directors.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, KMP and Senior Management.
- Devising a policy on Board of Director's diversity.

DEFINITIONS

“Company” Company means “Ganga Acrowools Limited” (GAL).

“Key Managerial Personnel” means

- i) Managing Director, or Chief Executive Officer or Manager and in their absence Whole-time Director;
- ii) Chief Financial Officer; and
- iii) Company Secretary;

“Senior Managerial Personnel” mean the employees of the GAL who are members of its core management team and rank equivalent to president level.

“Committee” Committee means “Nomination and Remuneration Committee (NRC)” of GAL.

CRITERIA FOR APPOINTMENTS

- The Committee shall consider the ethical standards of integrity and qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board of GAL for appointment.

- GAL should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Act and Rules made there under or any other enactment for the time being in force. The Independent directors shall also fulfill the criteria of Independence as prescribed.
- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Act and Rules made there under or any other enactment for the time being in force.

CRITERIA FOR REMUNERATION

- The Committee at the time of appointment shall recommend the remuneration to be paid to Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board of GAL for their approval. Thereafter the annual increments will be done as according to the Human Resource policies of the Company.
- The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management of the company.
- The relationship of remuneration and performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of GAL and its goals.
- The remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Act and Rules made there under or any other enactment for the time being in force.
- The Non- Executive Director and Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Act and Rules made there under or any other enactment for the time being in force.
- The Remuneration to be paid to KMP/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Act and Rules made there under or any other enactment for the time being in force.

EVALUATION

- The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

CRITERIA FOR EVALUATION OF THE BOARD

The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board of Directors from time to time.

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- 1) Act objectively and constructively while exercising their duties, exercise their responsibilities in a bona fide manner in the interest of GAL;
- 2) Devote sufficient time and attention to their professional obligations;
- 3) Do not abuse their position and gaining direct or indirect personal advantage or advantage for any associated person;
- 4) Assist GAL in implementing the best Corporate Governance practices;
- 5) Attend meetings of the Board of Directors and the Committees of the Board in which they are chairpersons or members;
- 6) Keep themselves well informed about GAL and the external environment in which it operates;
- 7) Do not to unfairly obstruct the functioning of Board or committee of the Board;
- 8) Abide by GAL Memorandum and Articles of Association, company's policies, procedures, standards and provisions of the Companies Act, 2013.

POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, Quality Assurance, Finance, Legal, Sales and Marketing, Research and Development, Energy and Technology, Human Resources etc. or as may be considered appropriate.

TENURE

The tenure of the Directors, KMP and Senior Management shall be governed as per provisions of the Act and Rules made there under as amended from time to time.

AMENDMENT

The Nomination and Remuneration Committee of GAL has the right to amend or modify this policy as required.

INFORMATION DISSEMINATION

GAL disseminated the Nomination and Remuneration policy in its Director Report.