



Artemis Electricals Limited

# **Nomination and Remuneration Policy**

## **(NRC Policy)**

This policy shall be known as Nomination and Remuneration Policy and applicable on Board of Directors including independent directors, Key Managerial Personnel and Senior Employees of the Company.

## **OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 (“the Act”), as amended from time to time, read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as “KMP”) and other employees as may be prescribed under the Act.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, KMP and other employees as may be prescribed under the Act.

This policy is divided into two parts:

## **PART A**

### **POLICY FOR DETERMINATION OF QUALIFICATION, POSITIVE ATTRIBUTES AND DETERMINING OF INDEPENDENCE DIRECTORS:**

#### **1. Introduction**

- 1.1 We, Artemis Electricals Limited (herein after referred to as “AEL”) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, we ensure constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 We recognize the importance of Independent Directors in achieving the effectiveness of the Board. We aim to have an optimum combination of Non-Executive and Independent Directors.

#### **2. Scope and Exclusion:**

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to

become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed on the Board of a Company.
- 3.2 **“Nomination and Remuneration Committee”** means the committee constituted by Board of Directors of Artemis Electricals Limited in accordance with the provisions of Section 178 of the Companies Act, 2013
- 3.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

### **3.4 Key Managerial Personnel (KMP) means:**

- Executive Chairman
- Managing Director
- Chief Financial Officer
- Company Secretary
- Whole Time Director

### **4. Policy:**

#### 4.1 Qualifications and Criteria:

- 4.1.1 Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as General understanding of the Company’s business dynamics, educational and professional background; personal and professional ethics, integrity and values; willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

- 4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number.
- Shall not be disqualified under the provisions of the Companies Act, 2013.
- Shall has given his written consent to act as a Director.
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel.
- Shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding from time to time.
- Shall act honestly and in good faith in the best interests and objects of the company, its employees, its shareholders, the community and for protection of environment.
- Shall approve and monitor compliance with all significant policies and procedures by which the company is operated.
- Shall ensure that the performance of the company is adequately reported to shareholders, other stakeholders and regulators on a timely and regular basis.
- Shall not assign his office and any assignment so made shall be void.
- Shall ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards.
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, and other relevant laws.

#### **4.2 Criteria of Independence:**

- 4.2.1 The Committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually.
- 4.2.2 The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

### **4.3 Other directorships/committee memberships**

- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, a Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.2 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.
- 4.3.3 The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the Listing Agreement.
- 4.3.4 For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## **PART B**

### **REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:**

#### **1. Introduction**

- 1.1 We, Artemis Electricals Limited recognize the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the Company successfully.
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration 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.

2. **Scope and Exclusion:**

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. **Terms and References:**

In this Policy, the following terms shall have the following meanings:

3.1 **“Director”** means a director appointed on the Board of the Company.

3.2 **“Key Managerial Personnel”** means (i) the Chief Executive Officer or the managing director or the manager; (ii) the Company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013.

3.3 **“Nomination and Remuneration Committee”** means the committee constituted by Board of director of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013.

3.4 **“Employees”** means employees appointed by the Company from time to time.

4. **Policy:**

4.1 **Remuneration to Executive Directors and Key Managerial Personnel.**

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company, if any within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.2 **Remuneration to Non-Executive Directors**

4.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company, if any within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors can also be paid profit related commission in addition to the sitting fees, if approved by the Board on the recommendation of the Nomination and Remuneration Committee.

4.3 **Remuneration to other Employees**

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs which shall be finalized by the Human Resource Department in consultation with the Head of the Department of respective fields/departments.