

NOMINATION AND REMUNERATION POLICY (VIKAS GRANARIES LIMITED)

PURPOSE

The Company has formed Nomination and Remuneration Policy u/s 178 (1) of Company Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy has been formulated for determining the qualification, Positive attributes of Executive Directors, Non-Executive Directors, Independent Director and Key Managerial Persons of the company.

DEFINITIONS

“**ACT**” the act shall mean The Companies Act, 2013.

“**COMMITTEE**” the committee shall mean Nomination and Remuneration Committee under Section 178 (1) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**BOARD**” the Board shall mean Board of Directors of Vikas Granaries Limited.

“**COMPANY**” means the Company Vikas Granaries Limited

“**KEY MANAGERIAL PERSONNEL**” means

Chief Executive Officer or the Managing Director or the Manager;
Whole-time director;
Chief Financial Officer;
Company Secretary; and
Such other officer(s) as may be prescribed

“**SENIOR MANAGEMENT**” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

NOMINATION AND REMUNERATION COMMITTEE

The Company has formed a committee under section 178 (1) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee consists of three members namely:

- Mr. Neeraj Chhabra (Non-Executive Independent Director, Chairman)
- Mr. Ravi Sharma (Non-Executive Independent Director, Member)
- Mrs. Kamini Jindal (Executive Director Member)

ROLE OF THE COMMITTEE

The Committee has been formulated to perform the following works: -

1. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in Companies Act, 2013 and rules made thereunder and all other provisions applicable, if any, recommend to the Board their appointment and removal. It shall carry out evaluation of every director's performance.
2. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. To carry out evaluation of every Director's performance.
4. 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.
5. To perform such other functions as may be necessary or appropriate for the performance of its duties.

CRITERIA FOR APPOINTMENT OF DIRECTOR

Any person who wishes to appoint as a Director of the Company needs to fulfill the following criteria: -

1. His appointment must not be in Contravention of any provision of Companies Act, 2013 and rules made thereunder and all the applicable laws, if any.
2. The appointment shall be subject to applicability of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The person who wishes to be appointed as a director must have relevant experience in the industry similar to the business of the Company or hold relevant qualification in this regard. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
4. The Director will be eligible for appointment only if he has attained the age of twenty one years.

INDEPENDENT DIRECTOR

The Independent Director must fulfill the following criteria: -

1. His appointment must not be in Contravention of section 149 of Companies Act, 2013 and rules made thereunder and all the applicable laws, if any.

2. The appointment shall be subject to applicability of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. He shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, or other disciplines related to the Company's business.

TERM/TENURE

1. Managing Director/Whole-time Director:

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.

2. Independent Director: -

(a) 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.

(b) 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

(c) 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 and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

REMOVAL

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

RETIREMENT

The Director, 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 in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

General:

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel 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 of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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 Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay: The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act 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:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) 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 Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Stock Options:

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

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

IMPLEMENTATION

(a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

(b) The Committee May Delegate any of its powers to one or more of its members.