

# **NOMINATION AND REMUNERATION POLICY**

## **1. INTRODUCTION**

The Board of Directors ("Board") of CCL International Limited ("Company") has adopted the following policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

This Policy has been formulated in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 & Rules made thereunder and the Listing Agreement.

## **2. POLICY OBJECTIVE**

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by the Nomination & Remuneration Committee and recommend to the Board their appointment and removal.
- b. To lay down criteria to carry out evaluation of every Director's /KMP/Senior Management Personnel and other employees performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;
- d. To recommend to the Board a policy, relating to remuneration of directors, key managerial personnel and other employees.

## **3. DEFINITIONS**

- i. **"Board of Directors"** means the "Board of Directors" of CCL International Limited, as constituted from time to time.
- ii. **"Company"** means CCL International Limited.

- iii. **“Independent Director”** means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the Listing Agreement with the Stock Exchanges.
- iv. **“Key Managerial Personnel”** or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:-
  - I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
  - II. Company Secretary; and
  - III. Chief Financial Officer
  - IV. Such other officer as may be prescribed by the Central Government
- v. **“Nomination & Remuneration Committee”** means “Nomination & Remuneration Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.
- vi. **“Policy”** means the Nomination & Remuneration Policy.
- vii. **“Other employees”** means, all employees other than the Directors, KMPs and the Senior Management Personnel.
- viii. **“Senior Management Personnel”** means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management one level below the Executive Directors including the functional heads.

### 3. CONSTITUTION

- a. The Board shall determine the membership of the Nomination & Remuneration Committee.
- b. The Committee shall comprise of at least three (3) non- executive directors, of which not less than one-half shall be independent directors.
- c. Chairman of the committee shall be an Independent Director.
- d. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- e. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- f. Membership of the Committee shall be disclosed in the Annual Report.
- g. The Company Secretary shall act as Secretary to the committee

### 4. POLICY

This policy is divided into three parts:

#### 4.1 Appointment & Removal

- a. **Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:**
  - i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
  - ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be

disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

iv. The other employees shall be appointed and removed as per the policy and procedure of the Company.

**b. Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and Listing agreement as amended from time to time.

The Term/Tenure of the KMP's/Senior Management Personnel and other employees shall be as per the Companies prevailing policy.

**c. 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 or any other reasonable ground or the result of the performance appraisal, the Committee may recommend to the Board for removal of Director(s).

The removal of KMP's, Senior Management Personnel or other employees shall be as per the Companies prevailing policy.

**d. Retirement:**

The director, KMP, senior management & other employees shall retire as per the relevant provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing policy of the Company, as may be applicable.

#### **4.2 Remuneration**

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the company successfully. The relationship of remuneration to 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 the company and its goals.

##### **1. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Incentive / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

##### **2. Non-Executive Independent Directors**

The Non-Executive 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 Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock options.

### **3. Senior Management Personnel / KMPs**

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director & CEO of the Company in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

### **4. Other Employees**

The power to decide structure of remuneration for other employees has been delegated to the Managing Director & CEO of the Company or any other employee that the Managing Director & CEO may deem fit.

#### **4.3 Evaluation**

##### **A. Criteria for evaluation of Executive and Non-Executive Director(s):**

The performance evaluation of the Executive and Non-Executive Director(s) shall be done by the Nomination & Remuneration Committee and also by the Independent Directors in their separate meetings.

The Executive and Non-Executive Directors (excluding Independent Directors) shall be evaluated on the basis of the following criteria i.e. whether they:

- a. act objectively and constructively while exercising their duties;
- b. exercise their responsibilities in a bona fide manner in the interest of the company;
- c. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d. do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

- e. assist the company in implementing the best corporate governance practices.
- f. strive to attend all meetings of the Board of Directors, the Committees and the general meetings of the Company;
- g. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- h. keep themselves well informed about the company and the external environment in which it operates;
- i. do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- j. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- k. abide by Company's Memorandum and Articles of Association, Companies Act, rules made thereunder and Listing agreement, company's policies and procedures including code of conduct, insider trading guidelines etc.
- l. Safeguarded the confidentiality.
- m. Any other factor that the Independent Director(s) / Board of Directors may consider necessary for such evaluation.

In addition to the evaluation criteria Directors, as above-said, Executive Director(s) shall also be evaluated on the basis of targets / Financial Performance of the Company / any other criteria as may be given to them by the Board of Directors from time to time.

**B. Criteria for evaluation of Independent Directors:**

The performance evaluation of Independent Directors shall be done by the Nomination & Remuneration Committee and also by the entire Board of Directors excluding the Director being evaluated.



In addition to the evaluation criteria as above-said in Point 4.3 Clause 1, Independent Directors shall also be evaluated on the basis of the following criteria i.e. whether they:

- a. refrain from any action that would lead to loss of independence,
- b. inform the Board immediately when they lose their independence.

**C. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:**

The performance evaluation of KMP's and Senior Management Personnel shall be done by their respective reporting heads based on the KRA's given to them at the beginning of the year.

**D. Criteria for evaluating performance of Other Employees:**

The performance evaluation of other employees shall be done by Managing Director & CEO of the Company or any other employee that the Managing Director & CEO may deem fit, based on the KRA's given to them at the beginning of the year.

**5. DISCLOSURES**

The Policy shall be disclosed in the Board's report of the Company.

**6. AMENDMENT(s)**

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.