

# **CHAMAN LAL SETIA EXPORTS LTD.**

REGISTERED OFFICE :- P.O Central Jail, Meerankot Road, Amritsar-143002

CIN NO. :- L51909PB1994PLC015083, Website :- www.maharanirice.in

## **NOMINATION AND REMUNERATION POLICY OF CHAMAN LAL SETIA EXPORTS LTD.**

**Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Listed Companies are required to formulate the Nomination and Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half shall be independent directors.**

**The Roles of the Nomination and Remuneration Committee is as follow :-**

- 1) 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, Senior Management Personnel and other employees.
- 2) Formulate the criteria for evaluation of performance of independent directors and the board of directors.
- 3) Devising a policy on diversity of board of directors.
- 4) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5) Determining whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of Independent Directors.

**The key factors considered in formulating the Policy are as under:**

- a) 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.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) 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.

## **Applicability**

This 'Nomination and Remuneration Policy' of Chaman Lal Setia Exports Limited is applicable On:

- i) Directors (Executive and Non Executive)**
- ii) Key Managerial Personnel**
- iii) Senior Management Personnel**

## **Constitution Of Committee**

The Nomination and Remuneration Committee of the Company consists of three non-executive independent Directors.

### **Appointment Criteria and Qualification for Whole Time Director/Independent Directors**

- i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management Personnel and recommend to the Board his/her appointment for approval.
- ii) 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 is sufficient/satisfactory for the concerned position.
- iii) The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding his position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## **Term/Tenure**

### **Managing Director/Wholetime Director**

The Company shall appoint or re-appoint any person as its 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.

### **Independent Directors**

An independent Director shall not hold office for more than two consecutive terms of upto maximum of 5 years each, 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 associated with the Company in any other capacity, either directly or indirectly.

**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 subject to the provisions and compliance of the said Act, rules and regulation.

**Policy For Remuneration To Directors/KMP/Senior Management Personnel****i) Remuneration to Managing Director/Wholetime Director, KMP**

The Remuneration/Compensation/Commission etc. to be paid to Director/Managing Director/KMP etc. 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.

The Remuneration paid to Managing Director/Wholetime Directors shall be recommended by the Nomination and Remuneration committee and approved by the Board of Directors in the Board Meeting, subject to the approval of shareholders at General Meeting and such other authorities, as the case may be.

**ii) Remuneration to Non Executive Independent Director :**

The Non Executive Independent Director may receive remuneration by way of compensation/commission/sitting fees as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to subject to the approval of board of Directors/including any sub-committee thereof, upto limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and also in Compliance with the Sebi Listing Obligation and Disclosure Requirement Regulations, 2015.

**iii) Review of Performance and Compensation to Senior Management**

The Managing Director will approve the Remuneration of Senior Management which will be subject to review by Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews the performance of the senior management of your Company. The Committee ensures that the remuneration to the 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 your Company and its goals.

## **Review And Amendment**

The Board of the Nomination and Remuneration Committee of the Board may review the Policy as and when it deems necessary. The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company.

This Policy may be amended or substituted by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy. However no such amendment or modification will be binding on the Directors. KMP/ Senior Management unless the same is communicated in the manner described as above.

This Policy as amended from time to time shall be made available on the website of the Company.

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