



# **JOYALUKKAS INDIA LIMITED**

## **Nomination and Remuneration Policy**

**[Pursuant to Regulation of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations 2015]**

Policy Number: 06/2021

Policy Owner: JOYALUKKAS INDIA LIMITED

Approved by: Board of Directors

Approved on October 18, 2021

## **1. INTRODUCTION:**

The Nomination & Remuneration Policy (“Policy”) of Joyalukkas India Limited (“Joyalukkas” or “Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

## **2. OBJECTIVE AND PURPOSE:**

The objectives and purpose of this Policy are:

To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent), KMP and senior management of the Company (“Director”); and

To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company (“Board”).

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board

## **3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the “Nomination and Remuneration Committee” of the Board on August 2, 2021. This is in line with the requirements under the Companies Act, 2013 (“Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

#### 4. DEFINITIONS

- a. **'Board'** means Board of Directors of the Company.
- b. **'Directors'** means directors of the Company.
- c. **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. **'Company'** means Joyalukkas India Limited.
- e. **'Independent Director'** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. **'Key Managerial Personnel (KMP)'** means-
  - i) The Managing Director or Chief Executive Officer
  - ii) Whole time Director
  - iii) The Chief Financial Officer;
  - iv) The Company Secretary; and
  - v) Any other person as defined under the Companies Act, 2013 from time to time
- g. Senior Management means officers/personnel of the Company who are members of its core Management team. The core management team includes Chief Executive Officer, Managing Director, Chief Operating Officer, Chief Financial Officer , other functional heads and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### 5. GENERAL

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the board;  
Part – B covers the appointment and removal of Directors, KMP and Senior Management; and  
Part – C covers remuneration for Directors, KMP and Senior Management

##### **PART A**

##### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt with by the Committee: -

**(a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

**(b) Directors:**

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

**(c) Succession plans:**

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

**(d) Evaluation of performance:**

(i) Make recommendations to the Board on appropriate performance criteria for the Directors.

(ii) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.

(iii) Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

**(e) Board diversity:**

The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

**(f) Remuneration framework and policies:**

The Committee is responsible for reviewing and making recommendations to the Board on:

a. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.

b. Individual and total remuneration of non-executive directors, including any additional fees payable for membership of Board committees;

c. the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to:

(i) attract and motivate talent to pursue the Company's long-term growth;

(ii) Demonstrate a clear relationship between executive compensation and performance;

(iii) be reasonable and fair, having regard to best governance practices and legal requirements.

## **PART B**

### **Policy for appointment and removal of Directors, KMP and Senior Management**

#### **1. Appointment criteria and qualifications**

a. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend his/her appointment to the Board.

b. A person to be appointed as Director, KMP or Senior Management should possess adequate Qualification, expertise and experience for the position he / she is considered for.

c. The candidate should possess impeccable reputation for integrity, deep expertise and insights in Sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board member.

#### **2. Term / Tenure**

##### **a. Managing Director / Whole-time Directors**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time 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.

##### **b. Independent Directors**

An Independent Director shall hold office for a term up to five consecutive years 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.

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. 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 applicable regulations in force.

### **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, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

### **d. Retirement**

Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position /remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## **PART C**

### **Policy relating to the remuneration for Directors, KMP and Senior Management**

#### **1. General**

- a. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives) and shall be consistent with recognised best practices.
- b. Remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
- c. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
- d. The Company may implement reward & retention schemes from time to time as per organizational needs. These shall be subject to approval of the Committee.

#### **2. Remuneration to Directors**

- a. Remuneration to Directors, Managing Directors, whole time directors and managers shall be in Accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- b. Non-executive, non-independent directors shall not be entitled to sitting fees for attending Meetings of the Board and its Committees

- c. Independent Directors may be entitled to a commission as may be approved by the Board in addition to sitting fees for attending Board / committee meetings. The aggregate commission payable shall be recommended by the Committee to the Board based on company performance, profits, return to investors, stakeholder value creation and any other significant qualitative parameters as may be decided by the Board.

The Committee shall recommend to the Board the quantum of commission for each director based on the outcome of the evaluation process, including factors relating to attendance and time spent in the Board and committee meetings, individual contribution at meetings and contributions made by directors other than in meetings.

- d. Independent directors shall not be entitled to any stock options
- e. Independent Directors may be paid sitting fees (for attending meetings of the Board and of committees of which they may be members). Quantum of sitting fees may be subject to review on a periodic basis, as required.
- f. The Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his role as a director of the company, in addition to sitting fees and commission.
- g. The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless the services rendered are of a professional nature and the Committee is of the opinion that the Director possesses requisite qualification for the practice of the profession.
- h. Where any insurance is taken by the Company on behalf of its Non-Executive Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration
- i. The Board, on the recommendation of the Committee, shall approve the remuneration payable to whole time and executive directors within the limits approved by the shareholders

### **3. Remuneration to Key Managerial Personnel and Senior Management**

- a. The remuneration to key managerial personnel and senior management should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive
- Driven by the role played by the individual.
- Consistent with recognized best practices.

**b.** Senior Management shall be assigned grades according to their qualifications, work experience and competencies and their role and responsibility in the organization. Individual remuneration shall be based on various factors such as job profile, skill sets, seniority, experience, performance and other benchmarking parameters.

**c.** Remuneration to key managerial personnel shall be a balance of fixed and a performance linked variable pay component as per the compensation policy of the Company. The performance linked variable pay shall be linked to individual and business performance. They shall also be entitled to annual increments which shall be reviewed and approved by the Committee at an organizational level. Additionally they may be paid / offered other benefits / perquisites as per Company policies

#### **6. Policy implementation**

The Nomination and Remuneration Committee is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration policy.

#### **7. Modification and amendment**

Any changes or modification to this Policy shall be recommended by the Committee to the Board for its approval. This Policy may be reviewed and amended by the Board as and when any changes are to be incorporated due to changes in the regulations or as thought necessary or appropriate by the Board.