



**KEC International Limited**

# **Nomination and Remuneration Policy**

## **Index**

<b>Clause No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Introduction	3
2.	Objective	3
3.	Constitution of the Nomination and Remuneration Committee	3
4.	Definitions	3
5.	Matters to be dealt with and recommended by NRC to the Board	4
6.	Board Diversity	5
7.	Policy for appointment and removal of Director, KMP and SMP	5
8.	Policy for remuneration to MD/CEO, NEDs, KMP & SMP	6
9.	Director and Officer Liability Insurance	7
10.	General	7
11.	Document History	8

## 1. Introduction:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, in order to appoint and pay equitable remuneration to Directors, KMP, SMP and other employees of the Company.

## 2. Objective:

The Policy sets out the guiding principles on:

- i. Appointment and remuneration of the Directors, KMP and SMP;
- ii. Determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;
- iii. Formulating the criteria for performance evaluation of all Directors, Board and its Committee;
- iv. Board diversity.

## 3. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee (NRC) on April 08, 2014 as per Companies Act, 2013.

## 4. Definitions:

**"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

**"Board"** means Board of Directors of the Company.

**"Company"** means KEC International Limited.

**"Directors"** means Directors of the Company.

**"Independent Director" (ID)** means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

**"Key Managerial Personnel" (KMP)** means

1. Chief Executive Officer or the Managing Director or the Manager;
2. Whole-time Director(s);
3. Chief Financial Officer;
4. Company Secretary; and
5. Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board.

**“Senior Management Personnel” (SMP)** for the purpose of this Policy means officers and personnel of the Company, who are members of its core management team excluding Board of Directors and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

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

## **5. Matters to be dealt with and recommended by NRC to the Board**

The following matters shall be dealt by the Committee:

### **a) Directors**

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

### **b) Evaluation of performance**

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of the Board, its committees, and every Director and review the implementation and compliance of the manner in which evaluation is carried out.

### **c) Familiarization**

Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

### **d) Remuneration framework and policies**

NRC is responsible for reviewing and making recommendations to the Board on the following:

- i. The remuneration of MD/CEO, KMP and SMP.
- ii. Remuneration of Non-Executive Directors and Chairman.
- iii. Remuneration Policy for all employees including KMP and SMP which requires:
  - a. Attract and motivate talent to accomplish Company’s long term growth.
  - b. Demonstrate a clear link between executive compensation and performance.

## **6. Board Diversity**

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge, core skills, competencies, and perspective in the Board.

Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

## **7. Policy for appointment and removal of Director, KMP and SMP:**

### **A. Appointment criteria and qualifications**

NRC shall formulate the criteria for determining the qualification, positive attributes, expertise, experience and independence of the person, wherever required, eligible for appointment as Director, KMP or SMP. It shall identify such person and recommend to the Board his/ her appointment.

For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may avail the services of an external agencies, if required, consider candidates from a wide range of backgrounds, having due regard to diversity and also consider the time commitments of the candidates.

### **B. Term /Tenure**

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

Term of appointment or re-appointment of Managing Director or CEO not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### **2. Independent Director**

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in any case, not exceeding five years and shall not hold office for more than two consecutive terms. Such Independent Director shall be eligible for appointment after the expiry of such period as prescribed under the applicable law.

### **C. Retirement**

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain Director, KMP and SMP even after attaining the retirement age.

## **D. Removal**

In case any Director or KMP or SMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP or SMP.

## **8. Policy for remuneration to MD/CEO, NEDs, KMP & SMP:**

### **MD/CEO**

- i. The remuneration to be paid to the MD/CEO at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company.
- ii. Annual increment /subsequent variation in remuneration to the MD/CEO shall be approved by the NRC/Board of Directors, within the overall limits approved by the shareholders of the Company.

### **NEDs:**

- i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and sub-Committees of the Board.
- ii. Remuneration (including Commission) as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders of the Company, wherever required, and the same shall be paid in accordance with the applicable laws.
- iii. The NEDs shall be eligible for remuneration of professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

### **KMP & SMP:**

- i. The remuneration to be paid to the KMP and SMP, at the time of his/her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be combination of fixed and variable pay.
- ii. Annual increment /subsequent variation in remuneration to the KMP/SMP shall be approved by the NRC/Board of Directors.

## **9. Director and Officer Liability Insurance:**

Where Insurance Policy is taken by the Company for its Directors, KMP, SMP and employees indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be recovered from such persons.

## **10. General:**

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of SEBI Listing Regulations, as amended from time to time. In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or other applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy. Subject to applicable laws the Board can further delegate any of its powers herein to the Committee.

## Document History

Approved by:	Board of Directors
Adopted on:	July 30, 2014
1 <sup>st</sup> Amendment on:	July 29, 2016
2 <sup>nd</sup> Amendment on:	January 29, 2019
3 <sup>rd</sup> Amendment on:	January 31, 2022
4 <sup>th</sup> Amendment on:	May 03, 2023
5 <sup>th</sup> Amendment on:	May 26, 2025