**Policy on Selection and Remuneration of Directors, Key Managerial Personnel and Other Employees and on Board Diversity**

1. **Introduction**

Sub-section (3) of Section 178 of the Companies Act, 2013 states that 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.

Part-D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also mandates the Nomination and Remuneration Committee to 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. It further requires the Nomination and Remuneration Committee to devise a policy on diversity of the Board of Directors of the listed entity.

This policy sets out the general guidelines for the selection of candidates on the Board of Directors, key managerial personnel and other persons in senior management to assist the Board in performing its duties as well as to ensure constitution of the Board with an optimum combination of executive and non-executive directors including independent directors who possess diverse experience and expertise in strategic management and governance and provide long term vision and direction to the Company.

1. **Selection and Composition of the Board Membership Criteria and Diversity**

The Board of Directors should be composed of individuals who have demonstrated significant achievement in the fields of business, education, the professions and/or public service. They should have the requisite intelligence as well as education and experience to make a significant contribution to the deliberations of the Board in light of the business of the Company and should bring a broad range of experience to the Board.

The role of the Nomination and Remuneration Committee is to annually review the appropriate skills and characteristics of the members of the Board in the context of the current structure of the Board. Such assessment should include issues of diversity, age, experience, qualifications, ethics, the willingness to participate in matters of the Board and any other criteria that the Committee may find relevant at that point of time. A variety and balance of skills, background and experience is desirable.

The composition of the Board shall meet the conditions prescribed under the Companies Act, 2013 and the Listing Regulations. The proposed appointee shall possess a director identification number and also meet the criteria laid down in the Companies Act, 2013 and the Listing Regulations.

**Attributes**

The overall ability and experience of individual board candidates should determine their suitability. The following attributes may be considered as desirable in any candidate for the Board of Directors

* Experience - A candidate should have extensive experience in business, administration, profession, governance and/or public service. An ideal Board candidate may have had experience in more than one of these areas.
* Education - Ideally, it is desirable that a candidate should hold a degree from a respected college or university. In some cases, it is further desirable for the candidate to have also earned a masters or special acumen in governance & administration. However, such criteria are not meant to exclude an exceptional candidate who does not meet the same.
* Personal - The candidate should be of the highest moral and ethical character. The candidate should exhibit independence, objectivity and be capable of serving as a representative of the stakeholders.
* Individual Characteristics - The candidate should have such personal qualities so as to be able to make a substantial and active contribution to the deliberations of the Board. These qualities include intelligence, self-assuredness, high ethics, inter-personal skills, independence, judgment, courage along with willingness to ask difficult questions, communication skills and commitment.
* Availability - The candidate must be willing to commit as well as have sufficient time available to discharge the duties of membership. The candidate should not have any prohibited interlocking relationships.
* Compatibility - The candidate should be able to develop a good working relationship with other members of the Board and contribute to the working relationship of the Board with the senior management of the Company.
* Compliance - The candidate should meet the compliance requirements prescribed under the Companies Act, 2013, the Listing Regulations and other rules and regulations or standards set out by the Company.

**Predominance of Independent Directors**

Independence promotes integrity, accountability and governance. The Board of Directors shall comprise of a requisite number of independent directors as prescribed under the law.

**Selection and Orientation of New Directors**

The Nomination and Remuneration Committee shall identify candidates for the Board and recommend them for appointment to the Board and subsequently for approval by the shareholders as prescribed under the law. The Board delegates such screening process to the Committee with direct inputs from the Chairman of the Board or Managing Director or any other committee. The management of the Company, working in conjunction with the Committee, shall develop an appropriate familiarisation program for a new director that includes background briefings, meetings with senior management and visits to the facilities of the Company etc.

**Assessing Performance of the Board and Committees**

The Nomination and Remuneration Committee shall evaluate the performance of each director and report annually to the Board on the results of its assessment process. The performance evaluation of independent directors shall be done by the entire Board of Directors. The independent directors in their meeting shall review the performance of non-independent directors and the Board as a whole. While assessing the performance, the Board and the Committee shall take into account the attendance of the directors in the meeting of the Board and the Committee, the performance of the business, the accomplishment of long-term strategic objectives, the role and functioning of various committees, compliances and any other matter it may deem fit. The purpose of such assessment shall be to increase the effectiveness of the Board.

1. **Selection of Key Managerial Personnel**

The above criteria shall also apply for selection of Key Managerial Personnel (KMP) excepting those which are not applicable for persons in senior management. Where appointment or performance of any KMP requires a specific qualification or degree, the person should also possess such specific qualification or degree. Keeping oneself upto date for performing duties on issues and emerging trends is an important part of the responsibilities of a KMP. KMP must take reasonable steps to remain current in professional development, corporate governance and discharging duties and responsibilities.

A KMP shall meet the conditions prescribed under the Companies Act, 2013 and other rules and regulations as may be applicable.

1. **Review**

The Nomination and Remuneration Committee may review this policy periodically and suggest revisions to the Board to ensure that the policy serves its purpose and accurately reflects the sense of the Board and the Company.