

NOMINATION AND REMUNERATION POLICY

KERALA COMMUNICATORS CABLE LIMITED

Approved By:

The Board of Directors on:

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

I. INTRODUCTION

Kerala Communicators Cable Limited (KCCL) considers human resources as its invaluable assets. This policy aims to harmonize the aspirations of the Directors / Employees with the goals of the Company.

Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly

II. BACKGROUND

- In accordance with Section 134 (3) (e) of the Companies Act 2013, every company to which the provisions of section 178 apply shall disclose in its Board's Report, Company's policy on appointment and remuneration of the directors, key managerial personnel and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 (3) of Companies Act 2013.
- Section 178 of the Companies Act 2013 applies to Listed Public companies, Public Companies having paid up share capital of ten crore rupees or more, Public Companies having turnover of one hundred crore rupees or more and Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees.
- As per section 178 (3) of the Companies Act 2013, 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.
- The Company has constituted a Nomination and Remuneration Committee ("Committee") and this Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees ("Policy") is framed in accordance with requirements of the Companies Act 2013.

I. OBJECTIVES

- To formulate the criteria for determining qualifications, positive attributes and independence of the Members of the Board including Independent Directors.
- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the Members of the Board including Independent Directors and provide necessary report to the Board for further evaluation of the Board
- To recommend to the Board remuneration payable to the Directors, Senior Management Personnel, Key Managerial Personnel and employees.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
- To ensure that
 - 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;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management personnel 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.

II. SCOPE

The Board has constituted the Nomination and Remuneration Committee in line with the requirements under the provisions of section 178 of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel, senior managerial personnel and other employees of the Company.

III. DEFINITIONS

- “Board of Directors” or “Board” means the Board of Directors of Kerala Communicators Cable Limited, as constituted from time to time.
- “Company” means Kerala Communicators Cable Limited.
- “Act” means the Companies Act, 2013.
- “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- “Director” means a director appointed on the Board of the Company.
- “Executive Director” means a director entrusted with substantial powers of the management of the affairs of the Company.

- “Independent Director” means an independent director referred to in Section 149 of the Act.
- “Key Managerial Personnel” / “KMP” means:
 - (i) Managing Director, or Chief Executive Officer or Manager, a Wholetime Director
 - (ii) Company Secretary
 - (iii) Chief Financial Officer
 - (iv) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board
- “Senior Management Personnel” for this purpose shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below The Chief Executive Officer/Managing Director/Whole Time Director/Manager.

IV. POLICY

1. Appointment of Directors/ Key Managerial Personnel

- The Committee shall, inter alia, consider qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by the person who is proposed to be appointed as a Director/ Key Managerial Personnel and appropriate recommendation shall be made to the Board with respect to his/her appointment. The Person who is proposed to be appointed should possess high integrity, ethical standards, devote the sufficient time to the Company, and have the required skills, expertise and experience and shall perform duties in a bona-fide manner.
- Appointment of all Directors and Key Managerial Personnel shall be subject to the provisions of Companies Act, 2013 and rules thereunder.
- Appointment / re-appointment of Independent Directors shall be specifically subject to the provisions of Section 149 of the Act read with schedule IV and rules thereunder. Before appointment as an Independent Director, the Committee shall satisfy itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act and the Committee shall evaluate the skills, knowledge and experience of such person. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company’s business.

- Appointment of Managing Director and Whole-time Director shall be subject to the provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules there under.
- The Committee shall ensure that no person shall be appointed or continue the directorship as a as managing director, whole-time director or manager who is below the age of twenty-one years or has attained the age of seventy years. The Committee shall approve the appointment of a person who has attained the age of seventy years if a special resolution is passed to that effect by the shareholders, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- No person shall be eligible to be appointed as a Director, if he is subject to any disqualifications as stipulated under the Act or any other law(s) for the time being in force.
- Due to reasons of any disqualification mentioned in the Act or under any other applicable act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a director or KMP, subject to the provisions of the Companies Act, 2013 and rules made thereunder.

2. Appointment of other Employees

A person is required to possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Human Resource department which is in charge of recruitment shall ensure whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position concerned.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director and Board as a whole on periodical basis. The Director who is a member of the Committee shall abstain himself/herself from participation, when he is being evaluated.

4. Remuneration

- The remuneration of the Directors/ KMP will be governed as per provisions contained in the Companies Act, 2013 and rules made thereunder.
- The Committee shall recommend the remuneration (including the commission based on the net profits of the Company) of Whole-time Director and Managing Director which should be approved by the Board and the shareholders.

- Non - Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee.
- Remuneration to the other employees shall be determined on the basis of various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.
- The remuneration structure of all employees shall include Basic Pay and Perquisites and Allowances. Employees other than executive directors shall also be entitled to yearly Bonus which shall be determined by the Board in consultation with the Committee. All employees including executive directors shall be entitled to salary advance.
- The financial results of the Company shall be periodically reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration etc. of the Executive Directors will be proposed based on the achievements.
- Payment of sitting fees: All Non-Executive directors shall be entitled to receive sitting fees for attending Board Meetings as may be decided by the Board from time to time. At present, they are paid a sitting fees at the rate of Rs. 2,000/- for Board Meeting.

V. MODIFICATION AND AMENDMENT

The Committee shall periodically review this Policy and may recommend amendments to this Policy from time to time. Any modification, amendment and alterations to the Policy shall be subject to the approval of the Board of Directors.

If at any point a conflict of interpretation between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail. In case of any amendment to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date of such amendment.
