

## **NOMINATION & REMUNERATION POLICY**

### **SKM EGG PRODUCTS EXPORT (INDIA) LIMITED**

#### **NOMINATION AND REMUNERATION POLICY**

##### **I. PREAMBLE**

This Policy on Nomination and Remuneration of Directors, Key Managerial Personnel &Senior Management is formulated by the 'Nomination and Remuneration Committee' as per Section 178 of the Companies Act, 2013 read with the applicable Rules & Listing Agreement.

##### **II. OBJECTIVE**

- a) To guide and lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration
- b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry
- c) To carry out the evaluation of the performance of the members of the Board as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation.
- d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

##### **III. EFFECTIVE DATE**

This policy is applicable with immediate effect

##### **IV. DEFINITIONS**

**"Company"** means **"SKM Egg Products Export (India) Limited."**

**"Act"** means the Companies Act, 2013.

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

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer and
- (v) Such other officer as may be prescribed.

**"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act, and the Listing Agreement.

**"Policy or This Policy"** means, "Nomination and Remuneration Policy."

**V. GUIDING PRINCIPLES FOR CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

A quorum of two members is required to be present for the proceedings to take place. The Company Secretary shall act as Secretary to the Committee.

**Committee Members**

The Nomination and Remuneration Committee comprises of the following Director:

<b>S.No</b>	<b>Name of Member</b>	<b>Category</b>	<b>Designation</b>
1.	Dr.L.M.Ramakrishnan	Independent Director	Chairman
2.	SM Venkatachalampathy	Non Executive Director	Member
3.	M.Chinnayan	Independent Director	Member

**VI. FUNCTIONS OF THE NOMINATION AND REMUNERATION COMMITTEE**

1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. 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.
3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors.
4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability.
5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.
6. Decide / approve details of fixed components and performance linked incentives along with the performance criteria.
7. Devise a policy on Board diversity.
8. Formulate the criteria for evaluation of Independent Directors and the Board.
9. The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company.

10. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

## **VII. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

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

2. 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.

3. Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there-under.

4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## **VIII. AGE LIMITS/ TERM / TENURE**

### **WHOLE-TIME DIRECTOR**

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

### **INDEPENDENT DIRECTOR**

Subject to the provisions of the applicable Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

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.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serve is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

**IX. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

1. The Company shall familiarize the independent directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.
2. The details of such familiarisation programmes shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

**X. EVALUATION:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

**XI. REMOVAL:**

Due to reasons for any disqualification mentioned in the Act, rules made there-under 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.

**XII. RETIREMENT**

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

**XIII. POLICY RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

**REMUNERATION TO WHOLE-TIME, KMP AND SENIOR MANAGEMENT PERSONNEL:**

**1) Remuneration to Managing Director / Whole-time Directors:**

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act, and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such Recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

#### **MINIMUM REMUNERATION**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **2) REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR**

##### **SITTING FEES**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

##### **IMPLEMENTATION**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

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