



BHAGWATI

BHAGWATI AUTOCAST LIMITED

(CIN: L27100GJ1981PLC004718)

Regd. Office & Works: Survey No. 816, Village-Rajoda, Near Bavla, Dist. Ahmedabad – 382 220, Gujarat, India

Phone: +91 2714 232283 / 232983 / 232066

E-mail: autocast@bhagwati.com, autocast@bhagwati.co.in • Website: www.bhagwati.com

NOMINATION AND REMUNERATION COMMITTEE POLICY

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INTRODUCTION

Pursuant to Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), amended from time to time, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Board of Directors of the Company (the Board) constituted the committee to be known as Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one half are independent directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such committee.

OBJECTIVE

The Key objective of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Also considered objective as per the Companies Act, 2013 Listing Regulations

DEFINITIONS

- i. "Board" means Board of Directors of the Company.
- ii. "Company" means "Bhagwati Autocast Limited"
- iii. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- iv. "Key Managerial Personnel" (KMP) means-
 - a. Chief Executive Officer or the Managing Director or the Manager;
 - b. Company Secretary;
 - c. Whole-time Director;
 - d. Chief Financial Officer;
 - e. 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; and
 - f. Such other officer as may be prescribed

- v. "Nomination and Remuneration Committee" shall mean a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.
- vi. "Policy or This Policy" means "Nomination and Remuneration Committee Policy."
- vii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- viii. "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications:

- a) 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.
- b) 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 are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director, Whole Time Director or Manager who has attained the age of seventy years.

Provided that the term of the said persons 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.

Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

2. Term/ Tenure:

a) Managing Director/ Whole-Time Director/ Manager

The Company shall appoint or re-appoint any person as its Managing Director, Whole-Time Director or Manager if any for a term not exceeding five years at a time. Provided that no re-appointment shall be made earlier than one year before the expiry of relevant term.

b) Independent Director

- 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 of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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 Board on which such Independent Director serves 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/ Managing director in any listed company or such other number as may be prescribed under the listing regulations.

3. Evaluation:

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

4. Removal:

Due to reasons for any disqualification mentioned in the Act or under any applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act 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.

POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation / Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non-Executive/ Independent Director:

The Non-Executive Independent Director may receive remuneration/ compensation/ commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

REVIEW AND AMENDMENT:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required, where there is any statutory change necessitating the change in the policy.