

Nomination & Remuneration Policy
of
Cords Cable Industries Limited

(Approved by Board of Director's in their meeting held on April 01, 2015)

NOMINATION AND REMUNERATION POLICY

[Pursuant to Sec. 178 of the Companies Act, 2013 & Clause 49 of the Listing Agreement] The Board of Directors of **Cords Cable industries Limited** (the "Company") Board at their meeting held on May 30, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee" and reconstituted the "Nomination and Remuneration Committee" consisting of three (3) Non-Executive Directors of which majority are Independent Directors. The said Committee has formulated this Nomination and Remuneration Policy which is applicable to Directors (Executive and Non-executive), Key Managerial Personnel and Senior Management Personnel.

1. Objective :-

The Nomination and Remuneration Committee (or "NRC" or "Committee") and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement amended from time to time. The Key Objectives of the Committee would be:

- 1.1. To identify persons who may be qualified to become directors and who may be appointed in senior management in accordance with the criterion which may be laid down;
- 1.2. To recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- 1.3. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.5. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.6. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.7. To devise a policy on Board diversity

2. Definitions and Terms :-

- 2.1. "Act" or "the Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 2.2. "Board of Directors" or the "Board" shall have same meaning as defined under Section 2(10) of the Act.
- 2.3. "Director" shall have same meaning as defined under Section 2(34) of the Act.
- 2.4. "Key Managerial Personnel" or "KMP" shall have same meaning as defined under Section 2(51) of the Act which, *inter alia*, includes-
 - (i) the Chief Executive Officer or the managing director or the manager;

- (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the applicable statutory provisions / regulations
- 2.5. “*Senior Management*” as explained under Section 178 of the Act means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 2.6. “*Listing Agreement*” or “*LA*” means the Listing agreement entered into between the Company and the Stock Exchange on which the shares of the Company are listed.
- 2.7. “*Independent Director*” or “*ID*” shall have same meaning as assigned to it under the Act & LA.

3. Role of Committee:-

- (a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- (b) To carry out evaluation of every Director’s performance.
- (c) 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.
- (d) To formulate the criteria for evaluation of Independent Directors and the Board.
- (e) To devise a policy on Board diversity.
- (f) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (g) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- (h) Matters under Companies Act required being review by Nomination and Remuneration committee.

4. Membership :-

- 4.1 The Committee shall consist of a minimum 3 non-executive directors and at least 50% of them shall be independent.
- 4.2 Minimum two members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Terms of the Committee shall be as per the decision taken in the meeting of the Board of Directors.

5. Chairperson :-

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not chair the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. Frequency of Meetings :-

Committee Meeting shall be held at such regular intervals as may be required.

7. Committee Members' Interests :-

- 7.1 A member of the committee is not entitled to be present when his/her remuneration is discussed at such meeting or when his/her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. Secretary :

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Voting :

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of committee members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting shall have a casting vote.

10. Minutes of Committee Meeting :-

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting or according to the requirement of the law. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

11. Directors' and Officers' Insurance :-

The Committee, if it deems fit and proper, may decide to take insurance on behalf of its Directors, KMPs and/or Senior Management Personnel etc. for indemnifying them against any liability which may arise while working for and on behalf of the Company.

Annexure 1.

Criteria for determining qualifications, positive attributes and independence of a director.

A. Appointment criteria and qualifications of Director (including Independent Director) :-

- A.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- A.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 are sufficient / satisfactory for the concerned position.
- A.3 The provisions of the Act and LA should be adhered to while considering the appointment of a director.
- A.4 The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

B. Positive attributes of Directors (including Independent Directors):

- B.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- B.2 Actively update their knowledge and skills with the latest developments in the market conditions and applicable legal provisions.
- B.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- B.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- B.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- B.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- B.7 Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time.

C. Term / Tenure :-

The term or tenure of director shall be in accordance with the applicable provisions of the Act or LA or other applicable regulation. In compliance with the said laws, the term or tenure shall be as decided in the meeting of the Board of directors or members, as the case may be.

D. Independence of Director (ID):

Appointment of IDs shall be in accordance with the provisions of the Act as well as LA. Committee should check whether a person to be nominated or appointed as an ID meets the criterion of independence as prescribed under Sec. 149(6) of the Act and Clause 49 of the LA. While nominating any person to be appointed as an ID, the Committee should satisfy itself that the person gives a declaration as prescribed under the Act declaring that he/she meets the criterion of independence prescribed under the Act and LA.

E. Criteria for appointment of KMP/Senior Management:

- E.1 To possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- E.2 To practice and encourage professionalism and transparent working environment.
- E.3 To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- E.4 To adhere strictly to code of conduct.

F. Removal :

Due to reasons for any disqualification mentioned in the Act or LA 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 Personnel subject to the provisions and compliance of the said laws.

G. 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 shall 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 in accordance with the applicable law.

Annexure 2.

Policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

A. Remuneration duties :-

The duties of the Committee in relation to remuneration matters include:

- A.1 To consider and determine the Remuneration Policy, based on the performance and to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate members of the Board of the quality required to run the Company successfully and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- A.2 To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- A.3 To ensure that the remuneration to directors, KMPs, and Senior Management Personnel of the Company 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.
- A.4 To consider any other matters as may be requested by the Board.

B. Remuneration of the Directors, KMP & Senior Management Personnel :-

- B.1 The remuneration / compensation / commission etc. to Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
- B.2 The remuneration / compensation / commission etc. shall be in accordance with the provisions of the Act and LA, if applicable, and the Articles of Association of the Company, and shall be subject to the prior/post approval of the shareholders of the Company and/or Central Government, wherever required under the law.
- B.3 Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board in accordance with the law.
- B.4 Remuneration to Managing Director/ Whole-time Director shall also be in accordance with the agreement entered into with him.

B.5 Fixed Pay : -

The Director, KMP and Senior Management Personnel shall be eligible for a monthly/yearly remuneration as may be approved by the Board on the recommendation of the Committee. The remuneration shall include salary, allowances, perquisites and Company's Contributions to the provident fund, as the case may be, in accordance with Company's Policy as amended time to time and approved by the shareholders and central government, wherever required.

B.6 Minimum Remuneration : -

If circumstances demand, the Company may pay remuneration to its managerial personnel i.e. Managing Director or Whole-time Director or Manager in accordance with the provisions of Sec. 196, 197, Schedule V and other applicable provisions of the Act.

B.7 Provisions for excess remuneration : -

Remuneration drawn or received, directly or indirectly, in excess of the limits prescribed under the Act, shall be dealt with as prescribed under the Act.

B.8 Remuneration of Independent Director : -

An Independent Director will be paid sitting fee for attending meetings of Board or Committee thereof as per Sec. 197(5) provided that the amount of such fee 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.

B.9 Stock Options:

Independent Directors shall not be entitled to any stock option of the Company.

Framework for Performance Evaluation of Independent Directors, other Directors and the Board

Statutory Provisions :-

A. Review of Board Evaluation Framework :-

In terms of Clause 49 of the Listing Agreement, the Board is required to monitor and review Board Evaluation Framework.

B. Separate Meeting of independent directors & Performance Review of non-independent directors, the Board as a whole and Chairperson of the company:-

Schedule IV of the Act and clause 49 of the Listing Agreement, *inter alia*, provide for at least one separate meeting of independent directors in a year without the attendance of non-independent directors and members of management. The said meeting shall:-

- (a) review the performance of non-independent directors (**as per Annex. II**) and the Board as a whole (**as per Annex. III**);
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

C. Performance evaluation of independent directors & the Board:-

Clause 49 of the Listing Agreement and Schedule IV of the Act, *inter alia*, provide that –

- The Nomination and Remuneration Committee (the “NRC”) shall lay down the evaluation criteria for performance evaluation of Independent Directors as per **Annex. I**.
- The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.
- The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
- Clause 49 also provides that NRC shall formulate the criterion for evaluation of Independent Directors and the Board.

In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Framework of performance evaluation:-

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning as well as get evaluated the performances of individual directors in sync with abovementioned provisions. To that end, the Committee shall establish or change as and when required the process for evaluation of performance of Directors on the Board, Independent Directors,

Members of various Committees and the Board itself as per the following:-

1. The Board will conduct a self-evaluation based on the criterion formulated by NRC at least once a year.
2. NRC shall formulate evaluation criteria for performance evaluation of Directors on the Board, Independent Directors, Members of various Committees which may be formulated after taking into consideration the criteria such as knowledge to perform the role, time and level of participation, performance of duties, professional conduct and independence or other things as may be decided.
3. NRC shall formulate evaluation criteria for performance evaluation of the Board which may be broadly based on the performance on the basis of functions & responsibilities of the Board and overall performance.
4. The manner and method of evaluation shall be decided by the Board, NRC as the case may be.

Policy on Board Diversity :-

1. Background and Objective :

In terms of the requirements of revised Clause 49 of the equity listing Agreement issued by Securities and Exchange Board of India vide its Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 - Corporate Governance in listed entities, the Board of Directors of Cords Cable Industries Limited ("the Company") decided to consider and formulate a policy on diversity of the composition of the Board by the name of Board Diversity Policy ('the Policy'). The Policy sets out the approach to have diversity on the Boards of Directors ("Board") of the Company in terms of thought, experience, knowledge, perspective and gender in the Board.

The Diversity in the Board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately leads to better business success and sustainability.

2. Policy Statement

- a) NRC should take into consideration the areas of expertise of all directors, KMP and senior management personnel. After taking into consideration the field or sector of business in which the Company operates, NRC should ensure that members of the Board, KMPs and senior management personnel consist of people of varied knowledge and experience which will enable the Company to run its business most efficiently. Experts in the core area of business of the Company should represent the Board among other members.
- b) NRC should also ensure that the Company shall have an optimum combination of executive and non-executive directors on the Board as per the LA and the Act. Requirements as to minimum number of independent directors and woman director on the Board should be met.
- c) In case of resignation / removal / death / casual vacancy of any director or KMP or senior management personnel, the vacancy should be filled as early as possible to maintain the availability of proper and experienced personnel with the Company.

Review of the Policy:

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with revised Clause 49 of the Equity Listing Agreement (the "Clause 49").