

# **Nomination & Remuneration Policy of Cords Cable Industries Limited**

(Approved by Board of Director's in their meeting held on 27.10.2023)



1. **PREAMBLE**

The Nomination and Remuneration Policy of Cords Cable Industries Limited (hereinafter referred to as "the Company") is designed to attract, motivate and retain talent by offering an appropriate remuneration package and also by way of providing a congenial & healthy work environment. This Nomination and Remuneration Policy (hereinafter referred to as "the Policy") applies to Directors, Senior Management including the Key Managerial Personnel (KMP) and other employees of the Company.

2. **PRINCIPLES**

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").

3. **APPLICABILITY**

The Policy shall guide the remuneration of Directors, Senior Management including Key Managerial Personnel and other employees of the Company.

4. **DEFINITIONS**

- a. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **"Board"** means Board of Directors of the Company.
- c. **"Company"** means Cords Cable Industries Limited.
- d. **"Independent Director"** means a director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations.
- e. **"Key Managerial Personnel"** (KMP) means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. (As per Section 203 of the Companies Act, 2013, the following are whole time Key Managerial Personnel:
  - 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.





- f. **Nomination and Remuneration Committee (NRC)** means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 19 of the Listing Regulations.
- g. **"Other Employees"** mean all employees other than the Directors, KMPs and the Senior Management.
- h. **"Policy or This Policy"** means "Nomination and Remuneration Policy".
- i. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and perquisites as defined under the Income Tax Act, 1961.
- j. **"Senior Management"** means 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 executive directors including functional heads.

*Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.*

## 5. **OBJECTIVE AND PURPOSE OF POLICY**

In line with the requirements of the listing regulations and the Companies Act, 2013, the objectives and purpose of the policy are as under:

- a) 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;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management 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.
- d) ensure a transparent Board nomination process with the diversity of thought, experience, knowledge, prospective and gender in the Board.

## 6. **ROLE OF THE COMMITTEE**

- a) to formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b) for every appointment of an Independent Director, the committee shall Evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may use the service of an external agencies, consider candidates from a wide range of backgrounds, having due regard to diversity and consider the time commitments of the candidate.



- c) To formulate criteria for evaluation of performance of independent directors and the board of directors;
- d) To carry out evaluation of every director's performance.
- e) To devise a policy on diversity of board of directors;
- f) To identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- g) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- h) recommend to the board, all remuneration, in whatever form, payable to senior management.
- i) Perform such other functions as may be necessary or appropriate for the performance of its duties.
- j) To consider such other matters as the Board may specify and other areas that may be brought under the preview of /role of committee specified in Listing Regulations and the Companies Act, 2013 as and when amended.

7. **APPOINTMENT CRITERIA, QUALIFICATIONS AND INDEPENDENCE OF DIRECTORS**

- i) 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.
- ii) 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.
- iii) The Company shall not appoint or continue the employment of any person as Managing Director /Whole Time Director and non-executive director who has not attained the maximum age of retirement as prescribe under relevant laws without obtaining requisite approvals.
- iv) To ensure that the approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken in the next general meeting or with in a time period of three months from the date of appointment, whichever is earlier.
- v) The appointment or a reappointment of a person, including as a managing director or a whole-time director or a manager, who has earlier rejected by the shareholders at the general meeting, shall be done only with the prior approval of the shareholders.
- vi) The integrity, qualification, expertise and experience of other employees shall be determined by HR department in accordance with HR policy of the Company.





- vii) To ensure that no independent director, who resigns from the Company, shall be appointed as an executive / whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

7.1) **TERM / TENURE**

a) **Managing Director/Whole-time Director/Manager:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive 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.

b) **Executive/ Non-Executive / Independent Director and KMP:**

Executive / Non-executive / Independent Director and KMP shall be appointed or reappointed in the Company in accordance with the provision of Companies Act, 2013 and SEBI Listing 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 of such appointment in the Board's report.

An Independent Director shall be appointed / Reappointed in the manner as specified under relevant laws. 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 SEBI Listing Regulations. 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.

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 will be ensured that number of Boards 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 of a listed company or such other number as may be prescribed under the Act.



The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

#### 7.2 REMOVAL

Due to reasons for any disqualifications 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, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### 7.3 RETIREMENT

The Directors, 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.

#### 7.4 POSITIVE ATTRIBUTES OF DIRECTORS

- a) Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- b) Actively update their knowledge and skills with the latest developments in the market conditions and applicable legal provisions.
- c) Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- d) 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.
- e) 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.
- f) To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- g) Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Listing Regulations as amended from time to time.

### 8. POLICY FOR REMUNERATION TO DIRECTORS/KMPs/SENIOR MANAGEMENT PERSONNEL

#### 8.1 Remuneration to Directors, KMP and other Employees:

##### **Fixed pay:**

Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of Committee in accordance with





the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, Commission, Insurance/ Mediclaim, Leave Travel Concession, Gratuity, Leave encashment, Car & Driver, Voice, Data, Internet, Helper reimbursement etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of Central Government.

**Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Apart from the Directors, the remuneration and annual increments of Key Managerial Personnel and Senior Management shall be determined by the Human Resource Department of the Company in consultation with the Managing Director and the same shall be reported to Nomination and Remuneration Committee.

Apart from the Directors, Key Managerial Personnel and Senior Management, the remuneration for rest of the employees will be determined on the basis of role and position of an individual employee, including professional experience, performance, responsibility, Job complexity and local market conditions. The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the Human Resource Department and HODs of various departments.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

**8.2 Remuneration to Non-Executive / Independent Directors:**

**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 the maximum amount, per meeting of the



Board or Committee or such amount as may be prescribed under Companies Act, 2013. The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

**Limit of remuneration / commission:**

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limits of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**Stock options:**

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

**Reimbursement of actual expenses incurred:**

The Non- Executive / Independent Director may also be paid/reimbursed such actual sum as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

**Other:**

Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such Insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**8.3 Remuneration to directors in other capacity:**

The remuneration payable to Directors including Managing/ Whole-time Director/ Manager shall be inclusive of the remuneration payable for the services rendered by them in any other capacity except following:

- a) The services rendered are of a professional nature; and
- b) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of the profession.

**9. EVALUATION OF DIRECTORS:**

The Committee shall carry out evaluation of performance of every Director on the Board of the Company individually and the Board as a whole and various Committees of the Board in the Company on annual basis as required under Section 178 of the Companies Act, 2013.





The performance evaluation of Independent Directors(s) shall be done by the entire Board of Directors (excluding the director being evaluated) which will include performance of the directors and fulfillment of the independence criteria as specified in these regulations and their independence from the management

The Board/ Committee may take advice of an independent professional consultant for developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters.

10. **MINUTES OF COMMITTEE MEETING:**

Proceedings of all meetings shall be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board/Committee meeting for noting.

11. **AMENDMENT TO THE POLICY:**

The Board or the Nomination and Remuneration Committee of the Board may review the Policy as and when it deems necessary. The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company.

In case there are any modification(s) / amendment(s) / notification(s) / circulars(s), guidance note(s), informal guidance(s) issued by SEBI / MCA or judgements made by the Tribunal or any Court which has the effect of amendment in the Regulation(s) / Section(s) / Rule(s) made thereunder, the Company Secretary and/or Managing Director is/are authorized to make amendments in the Policy / Code as to the extent applicable. The amended Policy / Code shall be taken note by the Board of Directors / Committee in their ensuing Meeting(s).

Further, all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the said clause shall apply.

12. **DISCLOSURE:**

The details of this Policy and the evaluation criteria as applicable shall be put up on the website of the Company and reference drawn thereto in the Annual Report.

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**FRAMEWORK FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS, OTHER  
DIRECTORS AND THE BOARD**

**A. Review of Board Evaluation Framework :-**

In terms of SEBI Listing Regulation, 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 the provisions of the Listing regulations, *inter alia*, provide for atleast 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 and the Board as a whole,
- (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.

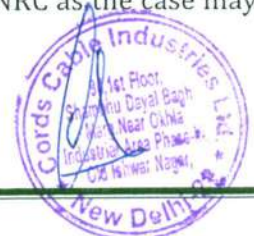
**C. Framework of performance evaluation:-**

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 evaluate 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.

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## **POLICY ON BOARD DIVERSITY**

### **1. BACKGROUND**

In terms of the requirements of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under part D, schedule II to the said Regulation -, 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.

### **2. POLICY OBJECTIVE**

To ensure a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

### **3. POLICY**

The Nomination and Remuneration Committee shall lay down criteria for identifying persons who are qualified to become Directors. In designing the Board's composition, Board diversity will be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### **4. DISCLOSURES**

The Company shall disclose this policy on its website i.e. [www.cordscable.com](http://www.cordscable.com). The necessary disclosure, if any about the policy will also be made as per the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

### **5. AMENDMENTS**

The Board of Directors may review and amend this Policy from time to time.

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