

# ASIAN STAR

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## NOMINATION AND REMUNERATION POLICY

**(This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Agreement.)**

The Remuneration Committee of Asian Star Company Limited ("the Company") was constituted consisting of three (3) Independent Directors. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on May 22, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

Our Nomination and Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Agreement.

The Company recognises and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognised that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are / will be made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

### **Scope of Application:**

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel.

### **The aims & objectives of the policy & the committee may be summarised as follows:**

- To enable the Company to attract, retain and motivate highly qualified members for the Board and Executive level.
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

## **Definition**

### **(a) Key Managerial Personnel:**

Key Managerial Personnel 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.

### **(b) Senior Management**

Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

### **(c) Nomination and Remuneration Committee**

Nomination and Remuneration Committee, by whatever name called, 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.

#### **Composition:**

##### **Membership:-**

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **Chairmanship**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) 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.

#### **Present composition of the Committee is as follows:**

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Category</b>
1	Mr. Kartikeya Girish Desai (Independent Director)	Chairman
2	Mr. Navtej Hazara Singh (Independent Director)	Member
3	Mr. Bijyanand Pattnayak (Independent Director)	Member

#### **Committee Members' Interests**

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

## **Role of Committee**

The role of the Committee inter alia will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **Removal**

Due to reasons for any disqualification mentioned in the Companies 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, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **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.

## **Remuneration:**

The Committee will recommend the remuneration to be paid to the Director, KMP and Senior Management Personnel to the Board for their approval.

### **▪ Remuneration to Executive Director:**

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

### **▪ Non Executive Independent Directors:**

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 thereunder or any other enactment for the time being in force.

### **▪ KMP / Senior Management Personnel:**

The Remuneration to be paid to KMP/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

## **Evaluation**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

## **Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **Secretary**

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

## **Amendment to the Policy**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.