

## **NOMINATION, REMUNERATION AND EVALUATION POLICY**

### **1. Background and applicability**

This Policy is in compliance with Section 178 of the Companies Act, 2013, read with applicable rules made thereunder.

This Nomination, Remuneration and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of TAKE SOLUTIONS LTD (TSL).

### **2. Definition**

#### a) Nomination and Remuneration Committee (NRC):

It means a Committee of Directors constituted under the requirements of Companies Act, 2013, read with rules made thereunder.

#### b) Key Managerial Personnel” (KMP):

KMP means and 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;

#### c) Senior Management Personnel (SMP):

The expression “senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager(including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

### **3. Objective**

The Nomination and Remuneration Committee shall provide a policy framework for:

- a) Identifying 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 for their appointment and removal;
- b) Carrying out evaluation of every Director’s performance;
- c) Identifying the criteria for determining qualifications, positive attributes and independence of a director;
- d) Finalizing the remuneration for the Directors, Key Managerial Personnel and Sr. Management Personnel;
- e) Assessing the independence of Independent Directors; and
- f) Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder.

#### **4. Accountability**

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. However, the Board, in terms of requirements of Companies Act, 2013 and rules made thereunder, has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes nominations & recommendations to the Board.

#### **5. Appointment of Directors and KMPs/Senior Officials**

##### **a) Directors**

Enhancing the competencies of the Board and providing strategic inputs to the management of the Company should be the main criteria/focus area while selecting Directors of the Company. The proposed person should be assessed against a range of criteria which includes but not limited to:

- Personality, skills and professional knowledge
- Knowledge and experience relevant to the business of the Company;
- Understanding of and experience in performing his roles and responsibilities;
- Independence of judgment;
- Educational and professional qualification(s)
- Past performance and credentials, behaviour & conduct
- Ability to work individually as well as a member of team;
- Ability to represent the Company;
- Interaction and relationship with the other members of the Board, KMPs and key stakeholders.
- Board room conduct
- Communication skills and
- Ethics and Values.

##### Independence of Directors:

Independence of Directors shall be decided on the basis of criteria provided under the relevant provisions of the Companies Act, 2013, read with rules made thereunder, and any modification/amendments done from time to time. A declaration of Independence shall also be taken from the Independent Directors before their induction on the Board of Directors and at certain periodic intervals.

##### **b) KMP/Sr. Officials**

KMP and Sr. Officials shall be identified by the Company and informed to the Nomination and Remuneration Committee from time-to -time. Their Individual job descriptions shall also be updated from time-to-time based on the business and legal requirements.

#### **6. Letters of Appointment**

The Company will issue a formal letter of appointment to each Director, KMP/Senior Officials which will, *inter-alia*, contain the terms of appointment and the role assigned by the Company and get it accepted and signed by the concerned individual.

## **7. Remuneration of Directors, Key Managerial Personnel and Senior Management**

While fixing the remuneration, the guiding principle should be that the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based and determined on the basis of individual's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any. Individual remuneration packages for Directors, KMPs and Senior Officials of the Company will be determined after taking into account relevant factors, including but not limited to:

- Qualification and experience
- Level of engagement in the affairs of the Company,
- Market conditions,
- Financial and commercial health of the Company,
- Practice being followed in comparable companies,
- Prevailing laws and government/other guidelines.

### **Remuneration Structure**

The remuneration structure would depend upon the roles and responsibilities as well as the prevailing market practices. In normal circumstances, the remuneration of an individual shall be divided between fixed and variable components.

- a) Base Compensation (fixed salaries): It should be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day -to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).
- b) Variable salary: The NRC may in its discretion, structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set in this regard.
- c) Any other component/benefits as may be recommended by the management and approved by the NRC Committee.

## **8. Evaluation/ Assessment of Directors:**

The evaluation/assessment of the Directors is to be conducted on an annual basis. The following criteria may assist in determining how effective the performances of the Directors have been:

- a) Vision and clarity of roles & responsibility:

The Individual Director should have awareness of fiduciary and statutory requirements and a clearly articulated vision. This includes clarity of role as a member of the Board of the Company.

- b) Board Processes:

The quality of board processes such as decision making (i.e. how directors ensure they are well informed to be able to make the decisions in the best interest of the Company and its stakeholders) selection and induction etc;

- c) Engagement with Management:

How well the board engages with the management to ensure it is well supported and able to meet the needs of its members.

- d) Board dynamics:

At the heart are the board dynamics. It is the quality of individual relationships and dialogues that directly influences the quality of decision making and relationships with key stakeholders.

e) Frequency of participation:

The Individual should make him /her available for attending the Board meetings of the Company and be available for providing his/her guidance and support in case of need.

#### **9. Review and Revision**

The policy shall be reviewed by the Nomination & Remuneration Committee at appropriate intervals and based on its recommendations; the Board may revise the same from time to time.