



NOMINATION AND REMUNERATION POLICY

THE SANDESH LIMITED
(CIN: L22121GJ1943PLC000183)

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NOMINATION AND REMUNERATION POLICY:

In terms of the provisions of the section 178 of the Companies Act, 2013, applicable rules made thereunder (**the Act**, for short) and also the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR**, for short), the Board of Directors the Company is required to constitute a Nomination and Remuneration Committee (**the Committee**, for short).

Accordingly, the Committee is constituted and this Policy is formulated in compliance with the aforesaid provisions of the Act and of the LODR.

Further, this Policy is formulated to ensure that:

- 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.

APPLICABILITY OF THE POLICY:

- a) Directors (Executive, Non-Executive and Independent)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other employees, as may be decided by the Nomination and Remuneration Committee

Words and expressions used and not defined in this Policy but defined in the Act and LODR, shall have the meanings respectively assigned to them in respective legislation.

ROLE OF THE COMMITTEE:

The Role of the Committee is:

1. 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
 - a. To recommend appointment and removal of Directors to the Board
 - b. To recommend appointment and removal of senior management to the Board
2. To specify the manner for effective evaluation of performance of (a) Board, (b) its committees and (c) individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency; and
 - a. To review its implementation and compliance (of the "manner for effective evaluation of performance")
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
4. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
5. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors (as provided under LODR);
6. To devise a policy on diversity of the Board of Directors (as provided under LODR);
7. To decide as to whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors (as provided under LODR); and
8. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management (as provided under LODR).

COMPOSITION OF THE COMMITTEE:

- a) The Committee shall consist of three (3) or more non-executive Directors out of which not less than one-half shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act/LODR and also as and when it deems fit to reconstitute the Committee.
- c) The Committee shall meet at least once in a year.
- d) The quorum for a meeting shall be either two (02) members or one third (1/3rd) of the Members of the Committee, whichever is greater, including at least one (01) Independent Director in attendance.
- e) Composition of the Committee, the names of its Members and Chairperson of the Committee shall be disclosed in Annual Report.

CHAIRMAN AND SECRETARY OF THE COMMITTEE:

- a) The Chairperson of the Committee shall be an Independent Director.
- b) The Chairperson of the Company may be appointed as a member of the Committee but shall not chair the Committee.
- c) In the absence of the Chairperson in a meeting of the Committee, the Members of the Committee present at such meeting shall choose one amongst them to act as a Chairperson.
- d) The Chairperson of the Committee could be present at Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairperson to decide who should answer the queries.
- e) The Committee shall regularly report to the Board and it shall review and reassess the adequacy of its Charter periodically and recommend any proposed changes to the Board for approval.
- f) The Company Secretary of the Company shall act as a secretary for the meetings of the Committee.

POLICY FOR APPOINTMENT & REMOVAL:

Criteria for appointment and qualifications of Directors, Key Managerial Personnel & Senior Management personnel, include:

1. In accordance with the applicable provisions of the Act, LODR, other applicable laws and also in terms of the extant Human Resource Policy of the Company, the Committee shall identify and ascertain the integrity,

qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend his/her appointment to the Board.

2. The Committee has discretion to decide adequacy of qualification, expertise and experience possessed for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Executive Director who has attained the age of seventy (70) years. Provided that the term of the person holding this position may be extended at the discretion of the Committee beyond the age of seventy (70) years with the approval of the 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 (70) years.
4. A whole-time Key Managerial Personnel of the Company shall not hold office in more than one company, except in its subsidiary company, at the same time. However, whole time Key Managerial Personnel can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
5. Due to reasons for any disqualifications mentioned in the Act or other applicable provisions, the Committee may recommend to the Board of Directors the removal of Directors and Key Managerial personnel with the reasons recorded in writing, in compliance with the provisions of the Act or other applicable provisions.

The Committee has discretion to consider and fix the criteria for appointment / selection of the most suitable candidates for the Company.

QUALIFICATIONS, INDEPENDENCE & EVALUATION:

A. Criteria for appointment of Directors:

The Committee shall formulate criteria for determining qualifications, skills, expertise, qualities, positive attributes required to be a director of the Company. The Committee shall develop and recommend various criteria to be considered for appointment/reappointment of a Director for approval of the Board of the Company. Such criteria shall be beneficial to the Company and the qualities and expertise required for achieving targets of the Company in changing business environment shall also be considered. The Committee shall consider the following criteria:

- a) Applicable provisions of the Act, LODR and other laws;
- b) Persons of integrity, eminence and knowledge in business/profession/public service;
- c) Financial literacy;
- d) Experience of the industry in which the Company operates; and
- e) Other qualifications and experience to help the Company to achieve its objectives.

B. Identification process:

The Committee shall identify persons who are qualified to become Directors and who can satisfy the prescribed criteria. The process of identification will include meeting, ascertaining and screening candidates for appointment as a Director. The existing Board Members shall also continuously satisfy the criteria set by the Committee.

C. Recommendation of appointment for approval of Board:

If the candidate is able to satisfy the criteria laid down by the Committee, the Committee shall recommend appointment of such person for approval of the Board, after completion of the selection process.

The Committee may recommend the candidates to the Board when:

- a) any vacancy in the Board is required to be filled due to resignation or retirement of any Board Member, or
- b) any vacancy arisen out of annual performance evaluation of the Board, or
- c) any vacancy as a result of end of tenure in accordance with the Act, LODR and other laws, or
- d) any change required in the Board on account of its diversity policy, or
- e) any change required by the law.

D. Positive attributes of Directors:

Directors to:

- a) Demonstrate integrity, trustworthiness and ability to handle situations of conflict;
- b) Update their knowledge and skills with the latest developments in legal provisions, in the media industry and also in the market conditions in which the Company operates;
- c) Devote sufficient time and attention to the business and to address issues proactively;
- d) Take independent judgment on issues of business strategy, risk management, key appointments and code of conduct;

- e) Develop an effective relationship with Board Members and the senior management;
- f) Protect the interests of the Company, its stakeholders and employees;

Independent Directors of the Company shall also meet the requirements of the Act and LODR, as in force and as amended from time to time.

E. Determining Independence of a Director:

The Committee shall lay down criteria to evaluate the independence of Directors for recommending to the Board for appointment or reappointment.

The Independent Director shall hold office for a term of up to five consecutive years and will be eligible for re-appointment on passing a special resolution by the Company.

A Director is independent if he /she does not have a direct or indirect material pecuniary relationship with the Company, including its affiliates or any member of senior management. Also, the candidate shall be evaluated based on the criteria provided under the applicable provisions of the Act read with Rules thereon and LODR. In addition to applying these guidelines, the Board will consider all other relevant facts and circumstances in making its determination relating to an independence of a Director.

1. Annual Evaluation: The Board will determine the independence for the Independent Director on an annual basis upon the declaration made by such Independent Director.
2. Determination of Director's Independence: The Board shall determine independence of candidate to the position of Independent Director prior to appointment.
3. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

F. Evaluation of performance and Independence Review Procedures:

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis and it shall carry out the performance evaluation in terms of the process determined. The Committee may also authorize the Board or appoint an

independent external agency for carrying out the performance evaluation in terms of the process determined and the Committee shall further review its implementation and compliance. The Committee shall also review its own performance on an annual basis.

G. Evaluation of performance of Executive Directors and determination of remuneration:

The Committee shall evaluate the performance of the managing director/s by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the Managing Director or Whole-time Director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

H. Recommendation for appointment and remuneration of Key Managerial Personnel and remuneration of Senior Management Personnel:

The Committee shall lay down criteria like qualifications, expertise and experience required for Key Managerial Personnel and shall make recommendation to the Board for the appointment, removal, remuneration payable and any change required to the Key Managerial Personnel.

Key Managerial Personnel shall:

- a) Possess the requisite qualifications, expertise and experience to effectively discharge assigned responsibilities;
- b) Comply with the provisions of the Code of Conduct & Ethics;
- c) Practice professionalism;
- d) Encourage transparent working environment; and
- e) Establish an effective leadership, build teams and include team members to achieving targets of the Company.

The Committee shall also recommend to the Board, all remuneration, in whatever form, payable to senior management.

‘Senior Management’ shall mean the officers / personnel of the Company 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 include Company Secretary, Chief Financial Officer and functional heads.

On an annual basis, the Committee shall evaluate the performance of the Key Managerial Personnel of the Company. The Committee shall also ensure that the remuneration to the key managerial persons and Senior Management involves a balance between fixed and variable/ incentive pay reflecting short term and long term performance objectives.

I. Criteria for making payments to Non-Executive Directors:

The Committee may determine a commission payable to the non-executive directors after taking into their contribution to the decision making at Board / Committee Meetings, active participation and time spent as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. Commission, if decided to be paid, shall be within the overall limits prescribed in the Act and as may be fixed by the shareholders of the Company.

The payment of commission to the Non-Executive Directors of the Company who are neither in the whole time employment nor managing directors shall be approved by the shareholders of the Company. The approval of the shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds 50% of the total annual remuneration payable to non-executive Directors, giving details of the remuneration thereof. The Committee and the Board shall, in accordance with the approval of the shareholders of the Company, determine the manner and extent upto which the commission shall be paid to the Non-Executive Directors. Further, the following is the criteria for remuneration:

- a) Sitting Fees upto Rs. 1 Lakh for each meeting of the Board or any Committee thereof, attended.
- b) Commission, if approved by the Board and the shareholders of the Company, be paid to the Non-Executive Directors on the basis of participation in the meetings of Board and Audit Committee at the rate within the prescribed limits of the Act and the Rules made thereunder.
- c) Payment of Commission, if payable, to be made annually on determination of profits of the Company for particular financial year.

- d) Directors may be reimbursed for the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

TERM / TENURE:

The Committee will endeavor that remuneration and terms of employment are competitive and help the Company to attract and retain competent employees.

The Committee will also endeavor that remuneration package shall be reasonable and sufficient to attract, retain and motivate the employees. The Committee will also consider the performance objectives appropriate to the objectives of the Company. The Committee will also see that the Policy ensures that remuneration is linked with the attainment of performance targets assigned to employees.

Executive Remuneration will be recommended by the Committee for approval by the Board of Directors. There will be annual evaluation of performance. The Committee may also consult with the management of the Company as and when required. The details of remuneration of the Board of Directors and Key Managerial Personnel of the Company will be disclosed in the annual financial statements of the Company.

SUCCESSION PLANNING:

The objective of the succession planning is that the Company is well prepared for either planned changes or unplanned changes. Planning for succession for all critical positions of the Company involves assessment of opportunities, challenges and threats and also an evaluation of expertise, talent and skills that would be required in future. The Committee will develop plan for effective succession to the Board and senior level management, which the Board will review from time to time. The said Committee will endeavor to develop a talent pool of candidates for different critical positions which may be considered to fill the gap in the positions at Board level and Senior Management level. Process for planning for succession may include identification of internal candidates, motivation and development plans for internal candidates, and also identification of external candidates. The Committee will formulate an emergency succession contingency plan for unforeseen events like death, disability, resignations, etc. The Committee will try to ensure that a talent

pool is established to ensure continuity of leadership for all critical positions in the Company at all times.

REVIEW OF POLICY AND REPORTING:

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Board may, as and when required by the Committee, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the objectives and applicable law.

The Committee shall report to the Board on all matters arising at the Committee Meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

In case of any conflict between the provisions of this Policy and LODR or the Act or any other statutory enactments, the provisions of LODR or the Act or other statutory enactments, shall prevail over this Policy.

This Policy is formulated taking in view extant provisions of the LODR / the Act / other applicable statutory enactments. In case of any confusion or doubt with respect to any provision of this Policy or as and when the Committee / Board deems necessary to review this Policy or its provisions, the Committee / Board will take an appropriate decision. Further, this Policy and its provisions are subject to any modification, revision, replacement, variation, deletion, addition or amendment in accordance with the regulatory amendments and guidelines as may be issued / imposed by SEBI or any other competent authority, from time to time.
