



# **IVP LIMITED**

## **Nomination and Remuneration Policy**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### **DEFINITIONS:**

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Regulations**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Board**” means Board of Directors of the Company.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from to time.

“**Directors**” mean Directors of the Company.

“**Key Managerial Personnel**” (**KMP**) means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“**Other employees**” means all employees other than the Directors, KMPs and the Senior Management Personnel.

“**Policy or This Policy**” means, “Nomination and Remuneration Policy.”

“**Senior Management**” means Senior Management means the 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 the functional heads.

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



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### **OBJECTIVES:**

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees. The Key Objectives of the Committee would be:

- 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 of Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend to the Board on Remuneration payable to the Directors.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To devise a policy on Board diversity
- To lay down remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

### **APPLICABILITY:**

The Remuneration Policy shall be applicable to all Directors, KMPs, Senior Management Personnel and Other employees, present as well as future.

### **APPOINTMENT CRITERIA AND QUALIFICATIONS:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP.
- b) 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.

### **TERM / TENURE:**

- a) Managing Director/Whole-time Director:

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 reappointment shall be made earlier than one year before the expiry of term.



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### **b) Independent Director:**

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.

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 should be ensured that number of Board 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 (executive) Director of a listed company.

### **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder 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 or KMP subject to the provisions and compliance of the said Act, rules and regulations.

### **Retirement:**

The Whole time Directors, KMP and Senior Management personnel shall retire as per the prevailing policy of the Company.

### **Criteria for Evaluation:**

The Committee shall formulate criteria for evaluation performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; 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.

### **BOARD DIVERSITY:**

The Board shall consist of such number of Directors, including atleast one women Director and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

When the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board comprise independent directors.



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The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Additionally, the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

#### **REMUNERATION:**

##### **1. Remuneration to Managing/ Whole-Time / Executive/Managing Director, KMP and Senior Management Personnel:**

The remuneration / compensation to Directors will be determined by the Committee and recommended to the Board for approval.

Increment to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders in case of whole time Directors.

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

##### **2. Remuneration to Non-Executive/Independent Director:**

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the company computed as per the applicable provisions of the Companies Act, 2013.

Sitting fees structure payable to Non Executive Directors shall be as under:

Sr. no.	Particulars	Amount per meeting (Rs)
1.	Board Meeting	25,000/-
2.	Audit Committee Meeting	7,500/-
3.	Nomination and Remuneration Committee Meeting	7,500/-
4.	Corporate Social Responsibility Committee Meeting	7,500/-
5.	Stakeholders Relationship Committee Meeting	7,500/-
6.	Independent Directors Meeting	7,500/-



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### **3. Remuneration to other Employees:**

Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.

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

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments. Decision on Annual Increments shall be made on the basis of this appraisal.

### **Conformity with the Act/Regulations:**

This policy is in conformity with the provisions of the Companies Act, 2013 and Regulations. However, if due to subsequent changes in the Act, a particular clause or any part of this policy becomes inconsistent with the Act/Listing Obligations, the provisions of the Act / Listing Obligations shall prevail.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification in the policy as recommended by the Committee would be given for approval of the Board of Directors.

This policy is updated on 23<sup>rd</sup> May, 2017