



# INDIA CARBON LIMITED

REGISTERED OFFICE: NOONMATI, GUWAHATI-781020, ASSAM  
CORPORATE OFFICE: 4<sup>TH</sup> FLOOR, 6 OLD POST OFFICE STREET, KOLKATA-700001

## NOMINATION & REMUNERATION POLICY

### 1. Preamble

**1.1** The Policy provides a framework for remuneration to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “**Executives**”).

The expression “Senior Management” means employees of the Company who are members of its core management team (excluding directors) comprising all members of management one level below the executive directors, including the functional heads.

**1.2** This Policy will be called “Nomination & Remuneration Policy” and referred to as “the Policy”.

### 2. Objectives

**2.1** The objectives of the Policy are as follows:

- 2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
- 2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.
- 2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.1.4 To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.1.5 To ensure that remuneration to directors, KMP and senior management employees of the Company 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.



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### **3. Broad Principles of Remuneration**

- 3.1 Support for Strategic Objectives
- 3.2 Transparency
- 3.3 Internal equity
- 3.4 External equity
- 3.5 Flexibility
- 3.6 Performance-Driven Remuneration
- 3.7 Affordability and Sustainability

### **4. Procedure for selection and appointment of the Board Members**

#### **4.1 Board membership criteria:**

- 4.1.1 The Nomination & Remuneration Committee (“the Committee”), along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in academics, technology and in areas that are relevant for the Company.
- 4.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company’s business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board’s discussion and decision-making in the array of complex issues facing the Company.
- 4.1.3 Director should possess the highest personal and professional ethics, integrity and values.
- 4.1.4 The Committee shall consider the Independence, ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Independent Directors and accordingly recommend to the Board his / her appointment. The Independent Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, SEBI (LODR) 2015 or any other enactment for the time being in force.



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## 4.2 Selection of Board Members/ extending invitation to a potential director to join the Board:

4.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

4.2.2 The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

## 5. Procedure for selection and nomination of KMPs and SMPs

The Chairman and the Head of Human Resource (HR) Department shall identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors / concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date.

## 6. Compensation Structure

### 6.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of fees only for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees, they are also entitled to reimbursement of expenses and payment of commission on net profits.



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The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time. An Independent Director shall not be entitled to any stock option.

## **6.2 Remuneration to Executive Directors, KMPs & SMPs**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel and Senior Management Personnel. Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by the Chairman and Head of HR Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/ Concerned Committees, if stipulated by any Act, statute, regulations etc.

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