



NOMINATION AND REMUNERATION POLICY

COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED

I. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR

A. Qualifications of Director(including Independent Director):

- Persons of dignity, reputation, upright and knowledge with significant achievements in business, professions.
- Their financial or commercial literacy/skills.
- Their industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made thereunder and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

B. Positive attributes of Directors (including Independent Directors):

- Directors are to establish integrity, reliability, trustworthiness, ability to handle conflict constructively, and the enthusiasm to address issues proactively.
- Actively update their knowledge and skills with industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities

- Ability to develop a good working relationship with other Board members. To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To protect the legitimate interests of the Company, its shareholders and employees
- To practice and encourage professionalism and transparent working environment.
- To adhere strictly to code of conduct & other approved policies of the Company
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of the Listing Agreement as amended from time to time

II. POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL:

1. Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, 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 and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors/Shareholders.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. However Non- Executive Director have right to receive the same.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management **shall consist of fixed pay and incentive pay**, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

4. General Requirements:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

III. IMPLEMENTATION

- i. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ii. The Committee may Delegate any of its powers to one or more of its members.

IV. REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.