ALFAVISION OVERSEAS (INDIA) LIMITED

CIN: L43299MP1994PLC008375

NOMINATION AND REMUNERATION POLICY

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INTRODUCTION:

At all levels and all times monetary compensation has been if not the sole but the most important motivational aspect for getting the job fulfilled under any given business scenario. It is the endeavour of the Company that its Nomination & Remuneration Policy (NRP) should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible. The Company strives that its Remuneration Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMPs) and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, and SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015 ("LODR"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. This policy on nomination and remuneration of Directors, KMPs and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors (BOD) of the Company.

CONSTITUTION OF COMMITTEE:

The BOD of the Company has constituted a committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the NRC is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the NRC but shall not chair such NRC."

QUORUM OF THE NRC:

The quorum for the meeting of the NRC shall be either 2 (Two) members or one third of the members of the NRC, whichever is greater, including at least one Independent Director physically present in the meeting.

OBJECTIVE:

The NRC and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (LODR) Regulations, 2015 as amended from time to time. The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and the Key Objectives of the Committee would be: 1) To guide the Board in relation to appointment and remuneration and removal of Directors, KMPs and Senior Management.

2) 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, KMPs and other senior management person.

3) Formulation of criteria for evaluation of Independent Director and the Board.

4) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

5) To recommend to the Board on Remuneration payable to the Directors, KMPs and Senior Management persons.

6) To provide to KMPs and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

7) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

8) To develop a succession plan for the Board and to regularly review the plan.

9) To assist the Board in fulfilling responsibilities.

10) To Implement and monitor policies and processes regarding principles of corporate governance

PERIODICITY OF MEETING

NRC meeting shall be conducted when any appointment of Directors/ KMP's/Senior Management takes place or any revision in remuneration is required to be taken place. However, the Committee shall meet at least once in a Financial Year (April to March).

APPLICABILITY:

The Policy shall be applicable for recommendation of the appointment as well as change in remuneration of the following categories of the persons in the company;

a) Directors (Executive and Non-Executive);

b) Key Managerial Personnel; and

c) Senior Management Personnel.

DEFINITIONS:

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

"Board" or "BOD" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Independent Director" means as defined under section 2(47) of the Companies Act, 2013.

"Key Managerial Personnel" or "KMPs" means;

i. Managing Director, or Chief Executive Officer or Chief Operating Officer, 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.

"Policy" or "This Policy" or "NRP' means, "Nomination and Remuneration Policy." "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, like General Manager/Manager/President/Vice President of Finance, Marketing, HR, Plant, Purchase, Logistic, Legal, etc. or having any such other designation like Assistant Manager, but is in charge of the concerned department if any and is required to report to any of the KMPs or the Board directly as the case may be from time to time.

APPOINTMENT CRITERIA AND QUALIFICATIONS:

a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs or Senior Management level and recommend to the Board his/her appointment.
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.
c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole- time Director who has attained the age of 70 (seventy years) and the non-executive director who has attained the age of 75 (seventy five years). Provided that the term of the person holding this position(s) may be extended beyond the age of seventy/seventy five years as the case may be with the approval of 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/seventy five years.

d) The committee shall confirm and verify that a person proposed for appointment as director is not debarred from holding the office of director pursuant to any SEBI order and in case an existing director is restrained from acting as a director by virtue of any SEBI order or any other such authority, the committee shall intimate such director for his/her voluntarily resignation with immediate effect and if such director does not resign then in that case committee shall inform the Board to initiate the process of removal of such director in terms of relevant sections of the Companies Act, 2013.

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 subject to the approval by way of ordinary/special resolution if any as may be required. No re-appointment shall be made earlier than one year before the expiry of term.
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.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Removal:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion in retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, upon the recommendation of the NRC for the benefit of the Company.

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.

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 fromamongst 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.

POLICY FOR REMUNERATION TO DIRECTORS/KMPs/SENIOR MAMAGEMENT PERSONNEL:

1. **Remuneration to Managing/ Whole-Time /Executive/Managing Director:**
   The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing 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 Non-Executive/Independent Director may receive remuneration/ compensation/commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

3. **Remuneration to KMP (except MD/WTD) and Senior Management Personnel**:
   a) The remuneration for KMP (except WTD/MD) and Senior Management Personnel is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.
   b) The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
   c) The annual increments to the remuneration paid to KMP (except MD/WTD) and Senior Management Personnel shall be determined based on their performance as reviewed by the committee.

   Nomination Duties:

   The duties of the Committee in relation to nomination matters include:
   a. Ensuring that there is an appropriate induction & training programme in place for new Directors, KMPs and members of Senior Management and reviewing its effectiveness;
   b. Ensuring that on appointment to the Board, Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
   c. Determining the appropriate size, diversity and composition of the Board;
   d. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
   e. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director, KMPs as an employee of the Company subject to the provision of the law and their service contract;
   f. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
   g. Recommend any necessary changes to the Board; and
   h. Considering any other matters as may be requested by the Board.

Remuneration Duties:

The duties of the Committee in relation to remuneration matters include:

a. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

b. To approve the remuneration of the Senior Management including KMPs of the Company maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company;

c. To delegate any of its powers to one or more of its members or the Secretary of the Committee and

d. To consider any other matters as may be requested by the Board

REVIEW AND AMENDEMENT:

1. The NRC or the Board may review the Policy as and when it deems necessary.
2. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there are any statutory changes necessitating the change in the policy and shall be binding on the concerned Directors. KMPs and Senior Management Persons in the manner described as above.