

**S&S POWER SWITCHGEAR LIMITED**

**NOMINATION AND REMUNERATION  
POLICY**

## **INTRODUCTION:**

The Board of Directors of **S & S POWER SWITCH GEAR LIMITED** (the “Company”) has formulated Nomination and Remuneration policy in accordance with Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “Act”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “SEBI Listing Regulations”).

This Policy shall be called “**NOMINATION AND REMUNERATION POLICY.**”

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

## **DEFINITIONS**

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

“**COMPANY**” means “**S & S POWER SWITCH GEAR LIMITED**”

“**BOARD OF DIRECTORS**” OR “**BOARD**” means the Board of Directors of **S & S POWER SWITCH GEAR LIMITED**, as constituted from time to time.

“**DIRECTORS**” shall mean Directors of the Company

“**INDEPENDENT DIRECTOR**” shall mean an Independent Director of the Company who satisfies the criteria of Independence under the Companies Act, 2013 & LODR Regulations, as amended from time to time.

“**KEY MANAGERIAL PERSONNEL**” OR “**KMP**” means in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- (vi) Such other officer as may be prescribed.

**“SENIOR MANAGEMENT”** shall mean officers/personnel of the listed entity 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 specifically include Company Secretary and Chief Financial Officer.

**“REMUNERATION”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**OBJECTIVE:**

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company (“Director”)
2. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company (“Board”).
3. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
4. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

**CONSTITUTION OF THE “NOMINATION & REMUNERATION COMMITTEE:**

- The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements.
- The composition of the Company shall be in line with the requirements of the Act and Listing Regulations.
- The Company Secretary of the Company shall act as the Secretary of the Committee.

- The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continue unless terminated by the Board of Directors.

#### **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- I. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- II. To formulate criteria for evaluation of Independent Directors and the Board.
- III. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- IV. To carry out evaluation of Director's performance.
- V. To recommend to the Board the appointment and removal of Directors and Senior Management.
- VI. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- VII. To devise a policy on Board diversity, composition, size.
- VIII. Succession planning for replacing Key Executives and overseeing.
- IX. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- X. To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **FREQUENCY OF MEETINGS:**

- The meeting of the Committee shall be held as may be deemed fit and appropriate with at least one meeting in a year.
- The quorum for the Committee Meeting shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

## **APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT**

### **APPOINTMENT CRITERIA AND QUALIFICATIONS**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

### **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 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.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

#### **EVALUATION:**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

#### **REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder or for such other compelling reasons, the Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

#### **RETIREMENT**

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

#### **REMUNERATION TO 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, 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 within the overall limits approved by the shareholders 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**

- The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.
- Independent Directors and Non-Independent Non-Executive Directors may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees/commission and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) practices should be consistent with recognized best practices.
- In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company.
- This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

## **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 to time.

- c) The compensation for KMP and Senior Management would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the whole time directors, in consultation with the Head- HR.

#### **CIRCULAR RESOLUTION**

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

#### **IMPLEMENTATION**

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

#### **AMENDMENTS TO THE NOMINATION AND REMUNERATION POLICY**

The Board on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.