

NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.

T +91-22-4028 1919 / 2685 2256 - 59.

F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



Nirlon Limited's Nomination and Remuneration Policy

(Effective from November 13, 2014)

(I) Preamble

The Remuneration Committee of Nirlon Limited ("**the Company**" or "**NL**") consists of 4 (four) Independent Non-Executive Directors including 1(one) woman director, which constitutes more than 50%, of the Board Members

In order to align with Section 178 of the Companies Act, 2013, and amended Clause 49 (IV) of the Listing Agreement, the Board on July 25, 2014 renamed the "Remuneration Committee" as the "**Nomination and Remuneration Committee (NRC)**".

(II) Objectives

NRC and this Policy are in compliance with Section 178 of the Companies Act, 2013, and the amended Clause 49 under the Listing Agreement, i.e.

- a) To guide the Board in relation to appointment and removal of Directors, and Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board, and to provide the necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on remuneration payable to the Directors, and Key Managerial Personnel and other Senior Management.
- d) ESOP and other related matters.

(III) Definitions

- (1) "**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013, and shall include:-
 - (i) Executive Vice Chairman, Executive Director;
 - (ii) Company Secretary;
 - (iii) Chief Financial Officer
- (2) "**Senior Management**" means personnel of the Company who are members of its core management team excluding the Board of Directors.



NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



This would also include Vice Presidents, Head of Departments, General Managers and employees upto the rank of Senior Managers.

- (3) **“Companies Act/ Act”** means Companies Act, 2013 any modifications and/or reenactment thereof.
- (4) **“Clause”**, means Clause 49 of the Listing Agreement and any amendment thereto by Securities and Exchange Board of India (SEBI).

(IV) Role and Responsibilities

- a) Formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management.
- c) Carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) Recommend to the Board on:-
 - (i) Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and
 - (ii) Executive Directors' remuneration and incentive.
- e) Make 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 as an employee of the Company subject to the provision of the law and their service contract;
- f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) Devise a policy on Board diversity;
- h) Develop a succession plan for the Board and to regularly review the plan;
- i) Monitor Nirlon's ESOP Plan.
- j) Ensure that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;



NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



- k) Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- l) Identify and recommending Directors who are to be put forward for retirement by rotation.
- m) Determine the appropriate size, diversity and composition of the Board;
- n) Set a formal and transparent procedure for selecting new Directors for appointment to the Board;
- o) Develop a succession plan for the Board and Senior Management and regularly reviewing the plan;
- p) Evaluate the performance of the Board members and Senior Management in the context of the Company's performance from a business and compliance perspective;
- q) Make 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 any Executive Directors as an employee of the Company subject to the provision of the law and its service contract.
- r) Delegate any of its powers to one or more of its members or the Secretary of the Committee;
- s) Recommend any necessary changes to the Board.
- t) Consider any other matters as may be requested by the Board.

(V) Constitution and Proceedings**1. Constitution**

- a) The Committee shall consist of a minimum 3 (three) Non-Executive Independent Directors, majority of them being independent.
- b) Chairman of the Committee shall be an Independent Director.
- c) Minimum 2 (two) members shall constitute a quorum for the Committee meeting.
- d) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.



NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



- e) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- f) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.
- g) Membership of the Committee shall be disclosed in the Annual Report.
- h) Term of the Committee shall be continued unless terminated by the Board of Directors.
- i) The Company Secretary of the Company shall act as Secretary of the Committee.

2. Proceedings

- a) The meeting of the Committee shall be held at such regular intervals as may be required by the Company.
- b) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- c) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- d) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- e) In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- f) Consider and determine the Remuneration Policy, based on 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.
- g) Approve the remuneration of Senior Management including key managerial personnel 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.



NIRLON LIMITED

Western Express Highway,
Goregaon (E), Mumbai - 400 063.
T +91-22-4028 1919 / 2685 2256 - 59.
F +91-22-4028 1940.

www.nirlonltd.com, Email:info@nirlonltd.com

CIN:L17120 MH1958PLC 011045



- h) Delegate any of its powers to one or more of its members or the Secretary of the Committee.
- i) Consider any other matters as may be requested by the Board;
- j) Review Professional indemnity and liability insurance taken by the Company for Directors, Key Managerial Personnel and Senior Management.
- k) Record the proceedings of all meetings and the same shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

(VI) Power to remove difficulties

If any difficulties arise in giving effect to the provisions of this Policy, the Chairman of NRC shall may in consultation with the Board by an order make such provisions as appear to it to be necessary or expedient for removing the difficulty by suitably amending/ modifying, such provisions, and such amendment/ modification shall be displayed at the website of the Company.

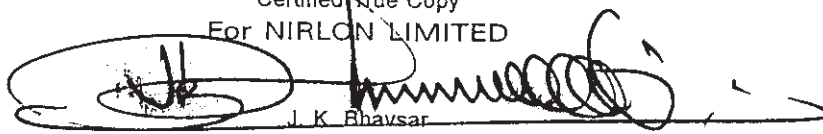
It is always provided that such amendment/ modifications shall in no event be inconsistent with the provision of the Act and the Clause.

(VII) Overriding Effects:

This Policy will not override the Act and the Clause, and any amendment and/or modification to the Act and/or the Clause shall prevail over the Policy.

Any provision contained in this Policy to the extent to which it is inconsistent or repugnant to the provisions of the Act or the Clause shall become or be void, as the case may be.



Certified True Copy
For NIRLON LIMITED

J. K. Bhavsar
Company Secretary, V. P.-Legal & Compliance Officer
F.C.S. 4178