

# **NOMINATION AND REMUNERATION COMMITTEE POLICY**

## **FOR GENESYS INTERNATIONAL CORPORATION LIMITED “GICL”**

### **INTRODUCTION**

The relationships between a Board of Directors, Key Managerial Personnel and Other Employees are at the heart of corporate governance. Nowhere is this more important than in the field of remuneration. As a body representing the Board, the Nomination and Remuneration Committee plays an essential role in overseeing the quality of the remuneration information, disclosures and recommendations to the Board. The Nomination and Remuneration Committee therefore plays a significant role in building both trust and in making sustainable business decisions on remuneration policies.

Nomination and Remuneration Committee is appointed by the Board to assist it in ensuring that the remuneration policies of a company are in its long-term interests. The Nomination and Remuneration Committee must ensure that the remuneration decisions remunerate executives and all other employees fairly and responsibly.

### **OBJECTIVE:**

Nomination and Remuneration Policy for members of the Board of Directors, Key Managerial Personnel and Other Employees has been formulated according to the Companies Act, 2013, which strive to ensure:

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) remuneration to directors, Key Managerial Personnel and senior management involves parameters reflecting short and long term performance objectives appropriate to the working of the company and its goals.

## **THE PRIMARY ROLE OF NOMINATION AND REMUNERATION COMMITTEE ARE TO ENSURE THAT:**

- The Directors, Key Managerial Personnel and senior management are remunerated fairly and responsibly with the long term interests of the company in mind;

shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

- The remuneration report and disclosure of directors, key managerial personnel and senior management remuneration are simple to read and understand, accurate and complete;
- An effective remuneration policy is in place, aligned with the company's strategy, and is applied consistently throughout the entity at all employee levels.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Nomination and Remuneration Committee must have an agenda and processes in place to support it in the execution of its role over an annual cycle.

Nomination and Remuneration Committee proposes and recommends the remuneration policy for approval by the Board.

## **PRE-REQUISTIES FOR AN EFFECTIVE NOMINATION AND REMUNERATION COMMITTEE**

**To be effective, a Nomination and Remuneration Committee must have atleast the following:**

- A clear mandate or terms of reference;
- A minimum number of members led by an effective chair;
- Experienced and competent members who are adequately well versed in remuneration matters to implement that mandate;
- A majority of members who are independent;
- A remuneration policy, supported by an effective remuneration system; and
- Clarity on roles and responsibilities.

- Shall meet at least once in a year
- The quorum for a meeting of the committee shall be either two members or one third of the members of the committee, whichever is greater, including one independent director in attendance

## **NOMINATION AND REMUNERATION OF THE BOARD OF DIRECTORS:**

The Board of Directors of the Company comprises of Executive and Non Executive Directors, for which policies have been framed:

1. Executive Directors comprising of Promoter Directors and Professional Directors, if any;
2. Non-Executive Directors comprises of Promoter (Non Independent) Director, if any and Independent Directors.

## **NOMINATION AND REMUNERATION COMMITTEE MEMBERS:**

### **Composition**

- It is recommended that the Nomination and Remuneration Committee should comprise atleast three non- executive directors out of which not less than one half shall be independent directors.
- Members of the nomination and remuneration committee should also be members of the Board.
- The chairperson of the remuneration committee should not be the chairperson of the Board. The chairperson of the Board may however be a nomination and remuneration committee member.

## **REMUNERATION OF EXECUTIVE DIRECTORS:**

### **Fixed remuneration:**

All Executive Directors viz Executive Chairman & Managing Director, Executive Director and Whole Time Director will have a component of Fixed Salary, which may be fixed for the whole tenure or in a graded pay scale basis. In addition, they will be entitled to usual perks which are normally offered to top level executives, such as Furnished/Unfurnished house / House Rent Allowance, Medical reimbursement, Leave travel allowance, Personal accident insurance, club fees, car with driver and benefits including leave encashment etc.

### **Variable Components:**

#### **➤ Reimbursement of Expenses:**

Executive Directors will be entitled for actual entertainment and travelling expenses incurred for business purposes.

The above payments shall be subject to such approvals as may be necessary under the Companies Act, 2013 and the Listing Agreement.

### **REMUNERATION OF NON- EXECUTIVE DIRECTORTS:**

#### **Fees:**

Non-executive Directors shall be entitled to payment of sitting fees for attending each Board and Committee Meetings as may be decided by the Board, within the limit prescribed under the Rules made under the Companies Act, 2013. The fees may be on uniform basis, as the committee views that all directors affectively contribute to the benefit/growth of the Company. Separate fees may be decided in respect of Board Meetings and Committee Meetings.

### **Variable Components:**

#### **➤ Commission:**

Subject to the approval of the shareholders and within the overall limit of 1% as prescribed by the Companies Act, 2013, the Non- Executive Directors may be paid commission. The commission may be paid not in uniformity to non-executive Directors based on their expertise, responsibility and involvement in the affairs of the company, as may be decided by the Committee.

#### **➤ Reimbursement of Expenses:**

For Non Executive Directors actual expenses in connection with Board and Committee Meetings are to be reimbursed. In addition if a Non Executive Director is travelling on Company's business, as permitted by the Board, he shall be entitled for his travelling and lodging expenses on actual basis.

## **INDEPENDENCE:**

A majority of members of the Nomination and Remuneration Committee should be independent non-executive directors who are not involved in the day to day management of the business. Nomination and Remuneration Committee does not assume the functions of management which remains the responsibility of executive management. The Nomination and Remuneration Committee must therefore operate as an independent body responsible for considering proposals from management regarding the remuneration policy and its implementation, and making final recommendations to the Board of Directors.

## **KEY MANAGERIAL PERSONNEL(KMP):**

KMPs shall be paid salary and perquisites, like other employees of the Company based on their qualification, job experience, as may be applicable and as may be applicable to the grade, to which they belong.

## **BOARD DIVERSITY:**

The Board of Directors (Board) shall have the optimum combination of executive and non-executive Directors from the different areas / fields like GIS, Information Technologies Finance, Sales, Marketing, etc. or as may be considered appropriate.

The Board shall have at least one Board member who have accounting or related financial management expertise

## **DISCLOSURE OF POLICY:**

Nomination and Remuneration Committee shall ensure that such policy shall be disclosed wherever required.