



# RUBFILA

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## INTERNATIONAL LIMITED

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### **NOMINATION AND REMUNERATION POLICY**

#### **I. PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Directors with the majority being Independent Directors as required under Listing Agreement.

In order to align with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Remuneration Committee" was renamed as "Nomination and Remuneration Committee". This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **II. DEFINITIONS**

"Board" means Board of Directors of the company.

"Company" means Rubfila International Limited.

"Employees Stock Option" means the option given to the Directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a predetermined price.

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means i. Chief Executive Officer or the Managing Director or the Manager. ii. Company Secretary iii. Whole time Director iv. Chief Financial Officer and v. Such officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of the Board of Directors of the Company constituted in accordance with the provisions of Section 178 of

the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Policy” means Nomination and Remuneration Policy.

“Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

### **III. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI regulations as amended from time to time.

### **IV. ROLES AND OBJECTIVES OF THE COMMITTEE**

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel.
3. To evaluate the performance of the members of the Board and to provide necessary report to the Board.
4. To recommend to the Board on Remuneration payable to the Directors and Key Managerial Personnel.
5. To provide to Key Managerial Personnel reward linked directly to their effort, performance, dedication and achievement relating to the company’s operations.
6. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
7. To devise a policy on Board diversity.
8. To decide 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.
9. To develop a succession plan for the Board and to review the plan.

### **V. MEMBERSHIP**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.

#### **VI. CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

#### **VII. VOTING**

- a) 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.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **VIII. APPLICABILITY**

The Policy is applicable to Directors (Executive and Non Executive) and Key Managerial Personnel.

#### **IX. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP**

##### **Appointment Criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person to be appointed as Director and KMP and recommend to the Board his/ her appointment.
2. 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 qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/ Manager who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years 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 years.

**Term/ Tenure:**

1. An Independent Director shall hold office for a term upto 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 to be made in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, 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. However if a person who has already as an Independent Director for 5 years or more in the Company as on 1 October 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/ shall be eligible for appointment for one more term of 5 years only. 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed company. The Committee shall carry out the evaluation of performance of the Directors.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, Rules and Regulations.

**Retirement:**

The Director and KMP shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**X. PROVISIONS RELATING TO REMUNERATION GENERAL:**

1. The remuneration/ compensation/ commission etc to Managerial Person and KMP will be determined by the Committee and recommended to the Board for approval. The

remuneration/ compensation/ commission shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force.
3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **Remuneration to Managerial Person and KMP :**

Managerial Person and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force. Remuneration to Non Executive/ Independent Director The remuneration/ commission shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force. The Non Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

#### **XI. MINUTES OF THE COMMITTEE MEETING:**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee Meeting will be tabled at the subsequent Board/ Committee Meeting.

#### **XII.DEVIATION FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

### **XIII. MODIFICATION**

The Board of Directors of Rubfila International Limited can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with the regulations and / or accommodate organizational changes within the Company.

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