



**ROYAL INDIA CORPORATION
LIMITED**

**NOMINATION AND REMUNERATION COMMITTEE CHARTER
(Revised on November 14, 2018)**

1. Introduction

The Nomination & Remuneration Committee, which is a sub-committee of the Board of Directors of the Company plays a key role in assisting the board for ensuring compliance by the Company with Corporate Governance Principles, notably regarding the policy with respect to the remuneration of the Executive Directors and Senior Management Personnel including Key Managerial Personnel.

2. Regulatory Framework

As the constitution of the Nomination & Remuneration Committee is mandatory under the Companies Act 2013 as well as under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the statutory regulations applicable are as under-

2.1 Section 178 of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014;

2.2 Secretarial Standards- 1 (SS-1) on meeting of the Board of Directors issued by the Institute of Companies Secretaries of India to the extent applicable

2.3 Regulation 19 read with Part D of schedule II. Further Regulation 19(4) specifically lays down the role of the Committee in Part D of Schedule II in the LODR Regulations, 2015.

3. Scope and Limitation:

In the event of any conflict between the provisions of this Audit Committee Charter and the SEBI (LODR) Regulations 2015 or Companies Act, 2013 or any other statutory enactments, rules, circulars, notifications, then the provisions of such Regulations/Companies Act, 2013 or statutory enactments, rules, circulars, notifications shall prevail over this Nomination & Remuneration Committee Charter to the extent applicable.

4. Committee Composition:

The Board of Directors shall constitute the Nomination & Remuneration Committee as under:

4.1 The Committee shall consist of at least three Non-Executive Directors out of which not less than one-half shall be Independent Directors;

4.2 The Chairperson of the Company (Whether Executive or Non-Executive) may be appointed as a member of the Committee but shall not chair such Committee.

5. Secretary

The Company Secretary of the Company shall act as the Secretary to the Committee.

6. Conduct of Committee Proceedings, Quorum, etc

6.1 The Principles enunciated in Secretarial Standards- 1 (SS-1) on meeting of the Board of Directors issued by the Institute of Companies Secretaries of India to the extent applicable shall govern all proceedings of the Committee;

6.2 The Committee shall record its summaries of recommendation to the Board, which will be incorporated as a part of the Minutes of the Board of Director's Meetings of the Company.

6.3 The quorum shall be either two members or one-third of the members of the Nomination & Remuneration Committee, whichever is greater, but there should be at least one independent director present.

7. Terms of Reference of Nomination & Remuneration Committee

The primary role of the Nomination & Remuneration Committee shall be to as follows:

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7.1 Formulation of a coherent "Remuneration Policy & Practices" relating to remuneration for the Directors, Key Managerial Personnel and other employees in order to attract and retain the best senior managerial executives and Directors to ensure that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other Senior Management of the quality required to run the company successfully;

- The whole of the elements comprising the compensation to be paid to the Executive Directors & Key Managerial Personnel of the Company, including any award of stock options or performance-based shares, as well as compensation and benefits of any kind (including pensions and termination benefits) also paid to them by the Company or companies belonging to the Group;

- The Committee notably reviews and defines the rules for determining the variable part of such compensation, ensures their coherence with the annual performance evaluation and the strategy of the Company, and thereafter controls the implementation of these rules;

7.2 The Company's general policy relating to stock option plans including the granting, timing and frequency of allocations, and any proposed stock option plans including the proposed beneficiaries.

7.3 The Committee also develops and recommends to the Board for its approval, a formal process for evaluating the functioning of the Board and its Committees, its directors and KMP's in the form of a detailed policy or procedure.

7.4 Formulation of criteria for evaluation of performance of the Board of Directors, that of its Committees and individual Directors and KMP's.

7.5 The nomination of new Directors including in case of unforeseeable vacancy; in particular, the Committee organizes an appropriate procedure for selecting future Directors and makes its own independent research on potential candidates prior to their being approached.

7.6 Make recommendations to the Board on extension or continuance of the term of appointment of the Directors, KMP's and Senior Management on the basis of the report of performance evaluation.

7.7 To seek from the Board, Independent Directors and HR copies of performance evaluation and other evaluation or employee files for performing its responsibilities under this Charter.

7.8 Assess the learning and development needs of the directors and recommend learning solutions and opportunities which can be used by directors to meet their needs for development.

7.9 Attraction and retention strategies for employees.

7.10 Periodical review of employee development strategies.

7.11 Review all human resource related issues related to "Senior Management" (Senior Management means 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.)

7.12 The Committee performs any other related activities as the Committee or the Board deems necessary or appropriate.

8. Performance Evaluation and matters connected thereto

8.1 Evaluation process and Methodology:

The evaluation process and methodology shall be as provided in the Board Evaluation Policy, to the extent applicable to the Committee.

8.2 Evaluation of Executive Directors and KMP's:

8.2.1 Evaluation of Executive Directors and KMP's shall be done by taking into account the views of the Board Chairperson and independent Directors;

8.2.2. Non- Executive Directors and Chairperson in case it deems necessary after taking into consideration the Evaluation reports of the Board and independent Directors in this regard.

8.3 Evaluation Report

8.3.1 On its own evaluation of Executive Directors and KMP's as per Clause 4.1.2 above submit its evaluation report to the Board Chairperson.

8.3.2 On the evaluation report submitted by the Board and Independent Directors it shall then—

8.3.2.1 Do a thorough evaluation of the reports submitted and if satisfied collate the same along with its suggestions/observations if any submit the same to the Board for its consideration;

8.3.2.2 If significant variations are noticed in the evaluation reports or for any other reason as it deems necessary, it shall conduct an evaluation of the Director/s concerned and then provide a consolidated evaluation report to the Board Chairman along with its remarks/observations etc.;

8.3.2.3 The evaluation report shall be normally be submitted in the next succeeding Board Meeting, however due to certain challenges or paucity of time, the report may be sent by e-mail or document form under the signature of the Committee Chairman to the Board Chairman for his doing the needful.

8.3.2.4 The consolidated evaluation report of the Committee shall make necessary recommendations relating to continuance or removal of any director including independent directors and KMP's.

8.3.3 The report of performance evaluation carried by the Board and the independent Directors shall be submitted to the NRC Committee which shall consider the same and provide a consolidated report to the Board along with observation or suggestion (if any).

8.3.4 In case there is any major difference in the performance rating submitted by the Board and independent Directors or for any other reason deemed appropriate, the committee shall do the performance review of the concerned director and then provide a report thereon to the Board.

9. Meetings

9.1 The Nomination and Remuneration Committee shall meet at least two times in a year;

9.2 Normally meetings of the Committee last the better part of a working day. Recommendations of the committee are submitted to the Board for approval;

9.3 The Committee may invite such of the executives, as it considers appropriate, to be present at the meetings;

9.4 The meetings shall follow the procedures concerning meeting of the Board of Directors to the extent applicable

9.5 The "Right to Vote" shall vest only in the members of the Committee.

10. Annual General Meeting

The Chairman of the Nomination & Remuneration Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend General Meeting of the Company.

11. Review/Amendment/Modification:

The adequacy of this Charter shall be reviewed and reassessed by the Nomination and Remuneration Committee at periodic intervals and appropriate recommendations shall be made to the Board for its consideration and suitable approvals based on the changes that may be brought about to the regulatory framework or Committee's own assessment or suo motto by the Board for amending or issuing any fresh terms of reference to the Committee.
