

KINETIC ENGINEERING LIMITED

DIRECTOR NOMINATION AND REMUNERATION POLICY



KINETIC

KINETIC ENGINEERING LIMITED

Regd Add: D1 Block, Plot No.18/2, Chinchwad, Pune 411019

CIN: L35912MH1970PLC014819 **Email ID:** kelinvestors@kineticindia.com

Tele No: 020 6614 2049

NOMINATION AND REMUNERATION POLICY

1. Preamble

The Vision statement of the Company itself is “To give better life to our people”. Monetary compensation has always been one of the motivational aspect of every employee in every industry. It is the endeavour of the Company to follow the best trade practices and to pay appropriate remuneration to the Directors, KMP’s and all the employees of the Company. The Company strives that its Nomination and Remuneration policy should attract, motivate and retain its manpower and provide a better work environment. Considering all these factors this Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. Objective

The Nomination and Remuneration Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees. The Key Objectives of the policy would be:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Performing such other activities as may be delegated by the Board of Directors and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Further the Nomination and Remuneration Committee shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and shall have power to obtain external professional advice, if necessary.

3. Constitution of the Nomination and Remuneration Committee

The Board of Directors of the Company shall constitute the Nomination and Remuneration Committee as in line with the requirements of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Chairman of the Committee shall be an Independent Director. However, the chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. The Board has the authority to reconstitute the committee from time to time.

4. Definitions

“**Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time. “**Board**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company. “**Company**” means Kinetic Engineering Limited.

“**Independent Director**” means a Director as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Key Managerial Personnel**” means Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director; Chief Financial Officer; Company Secretary; and Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. Appointment Criteria and Qualifications

- The appointment of Director, KMP or at Senior Management level should be identified and ascertained based on the integrity, qualification, expertise and experience of the personnel.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole- Time Director who has attained the age of seventy- five years. Provided that the term of the person holding this position may be extended beyond the age of seventy-five 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.
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as Director in any company, with the permission of the Board of Directors of the Company.

6. Term/Tenure

Managing Director/Whole-Time Director: The Company shall not appoint or reappoint any person as Managing Director or Whole-Time Director for a term not exceeding 5 years. No reappointment shall be made earlier than one year before the expiry of the term.

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. No Independent Director shall hold office for more than two consecutive terms of up to 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.

7. Removal

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

8. Retirement

The Whole-Time Directors, KMP, and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing HRD policy of the Company. The Board will have the discretion to retain the Whole-Time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the company after necessary compliance of the Laws as applicable to the Company.

9. Provisions for Remuneration to Directors/KMP/Senior Management Personnel

- The Remuneration/Compensation/ Commission etc. to be paid to Director/ Managing director etc. shall be in line with the provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- The remuneration/ compensation/ commission to the Non-Executive Independent Director shall be as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, expertise and job complexity.
- The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

S/d
Arun Hastimal Firodia
Chairman