

NOMINATION AND REMUNERATION POLICY UAL INDUSTRIES LIMITED

1. PREAMBLE :

1.1 This Nomination and Remuneration Policy (NR Policy) has been formulated, *Inter alia*, for nomination and remuneration of Directors, Key Managerial Personnel (KMP) and other Senior Managerial Personnel of the Company, in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013.

2. OBJECTIVE:

2.1 To identify persons who are qualified to become Directors and who may be appointed as KMP or senior managerial personnel in accordance with the criteria laid down, recommend to the Board their appointment and removal.

2.2 To formulate the criteria for determining qualifications, positive attributes and independence of a Director.

2.3 To recommend to the Board a policy, relating to the remuneration of the Directors, KMP and Senior Management Persons.

2.4 To formulate the criteria to carry out evaluation of every Director's performance.

3. DEFINITIONS:

3.1 "**Act**" means the Companies Act, 2013.

3.2 "**Board**" means Board of Directors of the Company.

3.3 "**Key Management Personnel (KMP)**" means Chief Executive Officer, Managing Director, Manager, Whole-time Director, Chief Financial Officer, Company Secretary and such other officer as may be prescribed.

3.4 "**Senior Management Personnel**" means personnel of the Company who are at the position of Vice President or equivalent and above.

3.5 "**Company**" means UAL Industries Limited.

4. APPLICABILITY:

4.1 NR Policy is applicable to the Board, Key Management Personnel and Senior Management Personnel of the Company.

5. MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The following matters shall be dealt by the Committee: -

5.1 Composition of the Board:

Periodically reviewing the composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

5.2 Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

5.3 Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

5.4 Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non- Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

5.5 Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

(a) the remuneration of the Managing Director, Whole-time Directors, and KMPs

(b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;

(c) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to:

- (i) attract and motivate talent to pursue the Company's long-term growth;
- (ii) demonstrate a clear relationship between executive compensation and performance; and
- (iii) Be reasonable and fair, having regard to best governance practices and legal requirements.

(d) the Company's equity-based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;

(e) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and

(f) the Company's remuneration reporting in the financial statements and remuneration report.

6. CRITERIA AND QUALIFICATION FOR APPOINTMENT AS DIRECTOR/ KMP/ SENIOR MANAGEMENT PERSONNEL OF THE COMPANY:

6.1 Director:

6.1.1 Any person who in the opinion of the Board is not disqualified under section 164 of the Act and who possesses ability, integrity, relevant expertise and experience can be appointed as Director of the Company.

6.1.2 Any person who is proposed to be appointed as Independent Director shall possess qualifications as stated in Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014

6.1.3 The Company shall take adequate declarations from prospective candidate about his eligibility.

6.2 KMP / Senior Management Personnel:

6.2.1 The Company has prepared an 'Organisation Chart' indicating office of KMPs, Senior Management Personnel and other positions. Each of the position has been identified with requisite qualifications and experience which commensurate with the size of Company's business and complexity of operations. The positions are filled in as per the requirements of the business.

7. Term/ tenure

7.1 Appointment of Managing Director:

7.1.1 The Company shall appoint or re-appoint a person as its Managing Director or Executive Director for a term not exceeding (minimum-1 year maximum 5 years) at a time. No re- appointment shall be made earlier than one year before the expiry of term.

7.2 Appointment of Independent Director:

7.2.1 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 and disclosure of such appointment 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.

7.2.2 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 companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

8. Retirement

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

9. Removal

9.1 Due to reasons of any disqualification mentioned in the Act or under any other applicable law, rules and regulations there under, 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 law, Act, rules and regulations.

10. STRUCTURE OF REMUNERATION FOR THE MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

10.1 The Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendations of the Committee. The breakup of the pay scale and quantum of perquisites etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendations of the Committee and also approved by the shareholders and Central Government, wherever required.

10.2 The total fixed salary should be fair and reasonable after taking into account scope of duties, the role and nature of responsibilities, level of skill, knowledge and experience of individual, Company's performance and growth, market trend, etc.

10.3 If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

10.4 If Managing Director or Whole time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

10.5 Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary 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.

10.6 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 be within the limit as prescribed by the Central Government from time to time.

10.7 The Independent Directors shall not be entitled to any stock options of Company.

AMENDMENT

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act, then the provisions of the Act or would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in Act or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.
