



Wellness Noni Limited

NOMINATION AND REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

Introduction

In terms of section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the company with Stock Exchange, as amended from time to time, this policy on nomination and remuneration of directors, Key Managerial Personnel (KMP) and senior management of the company has been formulated by the nomination and remuneration committee of the company and approved by the board of directors vide its resolution dated 06-Nov-2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the directors, KMP, senior management and other employees.

Objective of the Policy

The policy is framed with the objective(s):

1. That 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.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to directors, KMP, and other employees of the company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-executive) and persons who may be appointed in senior management, key managerial positions and to determine their remuneration.
5. To determine remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
6. To carry out evaluation of the performance of directors and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
8. To lay down criteria for appointment and removal of directors, KMP and senior management personnel and evaluation of their performance.

In the context of the aforesaid objectives the following policy has been formulated by the nomination and remuneration committee and adopted by the board of directors at its meeting held on 06-Nov-2014. The policy was amended by the Board at its meeting held on 30th May 2019.

Definitions

In this policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules there under

2. 'Board of directors' or 'board', in relation to the company, means the collective body of the directors of the company
3. 'Committee' means Nomination and Remuneration Committee of the company as constituted or reconstituted by the board
4. 'Company' means Wellness Noni Limited
5. 'Directors' means directors of the company
6. 'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013
7. 'Key Managerial Personnel' (KMP) means:
 - a. Chief Executive Officer and / or Managing Director
 - b. Whole-time Director
 - c. Chief Financial Officer
 - d. Company Secretary
 - e. Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs
9. 'Regulations' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this policy.

10. 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding board of directors. It would comprise all members of management one level below the executive director(s), including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time, shall have the meaning respectively assigned to them therein.

Constitution of the Committee

The committee will consist of Two or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the company may be appointed as a member of this committee but shall not chair the committee.

The committee will meet at such intervals as it may deem fit to carry out the objectives set out in the policy. A quorum of two members is required to be present for the proceedings to take place. The committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as secretary to the committee.

Functions of the Committee

The committee shall, inter-alia, perform the following functions:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and

removal and shall carry out evaluation of every director's performance.

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Ensure that the board comprises of a balanced combination of executive directors and non- executive directors and also the independent directors.
4. Devise framework to ensure that directors are inducted through suitable familiarization process covering their roles, responsibility and liability.
5. Decide/ approve details of fixed components and performance linked incentives along with the performance criteria.
6. Formulate the criteria for evaluation of independent directors and the board.
7. Recommend to the board all remuneration, in whatever form, payable to senior management
8. The committee shall assist the board in ensuring that plans are in place for orderly succession for appointments to the board and to senior management.

The chairman of the committee could be present at the Annual General Meeting, to answer the shareholders' queries.

Provided that committee may set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers

to any of the directors and / or officers of the company, as deemed necessary for proper and expeditious execution.

Applicability

This policy is applicable to:

1. Directors (Executive and Non-executive)
2. KMP
3. Senior management personnel and other employees

Criteria for appointment of directors

While recommending the appointment of the directors to the board, the committee shall consider criteria/attributes like qualification, expertise, experience of the directors in their respective fields, professional or business standing and diversity of the board. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

Remuneration

For determining the remuneration of the directors, KMP and senior management personnel, the committee shall consider the following

1. Executive directors shall be paid such remuneration as may be recommended by the committee and the board with the approval of the shareholders at the general meeting and it shall be within the overall limits prescribed under the Companies Act, 2013
2. Non-executive directors shall be entitled to receive sitting fees for each meeting of the board/committee of the board attended by him, of such sum as be approved by the board of directors within the

overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

3. The remuneration including annual increment and performance bonus of KMP, senior management personnel and other employees, is decided based on the roles and responsibilities, the company's performance, individual performance, industry benchmark and current compensation trends in the market.

This remuneration policy shall apply to all future/ continuing employment/ engagement(s) with the company.

Familiarisation Programme for Independent Director

1. The company shall familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. through various programs

Evaluation

As per the amendment to section 178 under the Companies (Amendment) Act, 2017, there is no requirement to carry out evaluation by the committee, instead the committee has to specify the manner of effective evaluation. The annual evaluation will be done by the Board by circulating questionnaires.

Following are the criteria for evaluation of performance of independent directors and the board:

1. Executive Directors

The executive directors may be evaluated on the basis of targets/ criteria given to them by the board from time to time or by such other criteria as may be decided by the board from time to time.

2. Non-Executive Director

The non-executive directors may be evaluated on the basis of the below mentioned criteria or by such other criteria as may be decided by the board from time to time

- a) Effective deployment of knowledge and expertise towards the growth and betterment of the company;
- b) Strive to attend all meetings of the board of directors and the committees;
- c) Participate constructively and actively in the committees of the board in which they are chairpersons or members;
- d) Active participation and contribution to discussions in the meetings;
- e) Impact and influence on the growth of the company;
- f) Fulfilment of the independence criteria as specified in the regulations and their independence from the management.

Disqualifications for Appointment of Directors

A person shall not be eligible for appointment as a director of the company, if he is disqualified under section 164 of the Companies Act, 2013 or under any other regulations.

Removal

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 of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

Retirement

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, senior management personnel in the same position /remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

Board diversity

The board of directors shall have the optimum combination of directors from the different areas/fields like management, finance, marketing, legal etc. or as may be considered appropriate.

The board shall have at least one board member who has accounting or related financial management expertise and at least three members who are financially literate.

Succession plan

The committee shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the board level. The appointment of the person at the board level shall be in accordance with the applicable provisions in vogue.

The vacancy at senior management i.e. one level below the board, shall be identified by the Managing Director in line with the internal

policy adopted by the management, however the appointment shall be recommended by the committee and approved by the board.

Amendment to the Policy

The board of directors on its own and / or as per the recommendations of the committee can amend this policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.