

Transpek Industry limited

24/03/2015

'Nomination and Remuneration Committee'

Terms of Reference and Responsibilities

Composition of the Nomination and Remuneration Committee:

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee comprising one non-Executive Director and two Independent Directors of whom one of the Independent Directors is the Chairman.

Role/Terms of reference of the Nomination and Remuneration Committee:

The role/terms of reference of the Nomination and Remuneration Committee are as under:

- To identify persons who are qualified to become Directors (Executive, non-Executive and Independent).
- To identify persons who may be appointed in Senior Management and Key Managerial Positions in accordance with the criteria laid down.

- To formulate criteria for determining the qualifications, positive attributes and independence of Directors.
- To recommend to the Board appointment of Directors, Key Managerial Personnel and other Senior Management Personnel and remuneration payable to them.
- To recommend to the Board removal of Directors, Key Managerial Personnel and other Senior Management Personnel.
- To carry out evaluation of performance of Directors.
- To develop and recommend to the Board for approval a succession plan for Managing Director, Executive Director and Key Managerial Personnel; to review the Succession Plan periodically; and to develop and evaluate potential candidates for executive positions and recommend to the Board any changes to, and any candidates for succession, under the Succession Plan.
- If the Company launches an Employees' Stock Option Scheme, the Nomination & Remuneration Committee shall formulate, administer and monitor detailed terms and conditions of such a Scheme.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification as may be applicable.

In carrying out all the activities according to its terms of reference, the Committee shall ensure that the provisions of the Companies Act, 2013 and Listing Agreement are complied with.

Criteria for Appointment of Directors and Key Managerial Personnel

- The Committee shall consider the following aspects and traits for selecting a person for Directorship :
 - Qualifications
 - Age
 - Expertise and Experience
 - Understanding of Governance and Management Practices
 - Independence
- The Committee shall consider the following aspects and traits for selecting a person for appointment in Key Managerial position and other Senior Management Positions:
 - Qualifications
 - Age
 - Experience and Competence
 - Industry background
 - Managerial and Leadership abilities

Removal:

For reasons of any disqualification mentioned in the Companies Act, 2013, Rules made thereunder 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. In case of KMP or Senior Management Personnel, the Committee may recommend removal with reasons recorded in writing under the following circumstances:

- If the continuation of the concerned person in the position currently held by him/her is expected to harm the interest of the business and / or stakeholders of the Company.
- If the actions of the concerned person are in violation of any of the policies of the Company and such violation is considered serious enough to call for his/her removal.
- If there is a breach of a contract entered into between the person and the Company.
- Any other situation that may, in the opinion of the Committee, requires removal of the person.

Evaluation of Performance of Directors

The Committee shall evaluate performance of each Director, including Whole-time Directors, every year. The criteria for performance evaluation shall be laid down by the Committee considering the role, responsibilities and contribution of each Director and various aspects related to the business of the Company and interest of its stakeholders.

Remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel

The Committee shall formulate a policy for remuneration to Directors, Key Managerial Personnel and Senior Management Personnel. Such policy shall be disclosed in the report of the Board of Directors.

Meetings of the Committee

Meetings of the Committee shall be held at such regular intervals as may be required.

Conduct of the Business of the Committee

Proceedings of all meetings will be recorded in the minutes 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 and Committee meetings.

A member of the Committee is not entitled to be present when his or her own reappointment or remuneration are being discussed at a meeting.

The matters arising for determination at the Committee meetings shall be decided by a majority of votes of the members present. In case of equality of votes, the Chairman will have a casting vote.

Deviations from this policy:

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

Policy for Remuneration to Directors, Key Managerial Personnel and Senior Management and Other Employees.

Preamble

This policy is made to define criteria and methodology for determining remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and other employees.

Definitions

For the purpose of this policy the meaning of the terms 'Directors', 'Key Managerial Personnel' shall be as defined in the Companies Act, 2013 and the terms 'Senior Management Personnel' and 'Other Employees' shall be construed in the manner commonly understood in industrial enterprises.

The remuneration shall include salary, perquisites, commission, incentives and any other benefits.

Guiding Principle

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel (KMP), Senior Management Personnel and other employees.

Determination of Remuneration

The Committee will determine individual remuneration packages for Directors, KMPs and Senior Management Personnel of the Company taking into account factors it deems relevant, including but not limited to market conditions, business performance, practices in comparable companies, having due regard to the financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

The remuneration shall be linked to performance and will comprise of Fixed Pay and Incentive.

Fixed remuneration shall be competitive and based on the individual's responsibilities and performance.

The Committee may recommend fixed salary as well as variable salary, which may be calculated as a percentage of profits and may also have an overall ceiling limit for total variable salary payable to the individual.

The Committee may, at its sole discretion, conduct Remuneration Surveys in order to determine appropriate amount of remuneration for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

The Committee shall give due consideration to the views and recommendations of whole-time Directors in determining the remuneration payable to Key Managerial Personnel and Senior Management Personnel.

Stock Options:

The Company may offer Stock Options to whole-time Directors and employees.

The Committee shall be responsible to formulate, implement and monitor the scheme of Stock Options.

Remuneration of Other Employees:

For deciding the Remuneration of Other employees the Company Management shall broadly consider the factors it deems relevant, including but not limited to the nature of work, responsibilities, relevant educational qualifications, length and type/quality of experience required, availability of such personnel, need of the company, cost to the Company, financial and commercial health of the Company, practice followed in other comparable companies, market conditions, applicable laws, industrial conditions etc.

GENERAL:

Deviations from this policy:

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

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