

**DEEVEE COMMERCIALS LIMITED**

**NOMINATION & REMUNERATION POLICY**

## **1. Preamble**

- 1.1 The Nomination & Remuneration Policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “Executives”). The expression “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.

The extant organizational structure of the Company does not comprise any Senior Management Personnel. Upon appointment of any SMP in the future, the framework of the Nomination & Remuneration Policy shall be followed in entirety.

## **2. Aims & Objectives**

- 2.1 The Company has formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
  - 2.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate highly qualified members for the Board and other executive level, to run the Company successfully.
  - 2.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
  - 2.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay (if required) reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## **3. Nomination and Remuneration Committee**

- 3.1 Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 3.2 The Committee shall be responsible for:
  - 3.2.1 Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the Executives;
  - 3.2.2 For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - a. use the services of an external agencies, if required;
    - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

- c. consider the time commitments of the candidates.
- 3.2.3 Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3.2.4 Devising a policy on diversity of board of directors;
- 3.2.5 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 of directors their appointment and removal.
- 3.2.6 Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 3.2.7 To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- 3.2.8 To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification or modification as may be applicable.

#### **4. POLICY FOR REMUNERATION**

##### **4.1 Remuneration to Executive Directors, KMP & SMP:**

- 4.1.1 The Company has a credible and transparent framework in determining the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards.
- 4.1.2 The Board, on the recommendation of the Nomination & Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

At present the Board composition does not comprise an Executive Director. However, the aforementioned criteria shall be kept in mind for determining the remuneration of an Executive Director, as and when appointed in the Board of the Company.

##### **4.2 Remuneration to Non-Executive Directors:**

- 4.2.1 The Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. Beside the sitting fees they are also entitled to reimbursement of expenses for attending meetings. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

- 4.2.2 The Non-Executive Directors, at their sole discretion, may decide to waive off the sitting fees, to be received from the Company.

#### **4.3 Remuneration to other employees**

- 4.3.1 The remuneration, compensation, commission etc. to the KMPs, SMPs and other employees will be determined by the Company in accordance with the provisions of the Act and Listing Regulations, basis discussions with the Committee after taking into account general market practice, performance of the Company and other relevant factors as prescribed by the Committee from time to time.

### **5. POLICY FOR SELECTION OF DIRECTORS AND DETERMININ DIRECTORS' INDEPENDENCE**

#### **Qualifications and criteria**

- 5.1 The NR Committee, and the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in areas that are relevant to the Company's operations.

- 5.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, such as:

- 5.2.1 general understanding of the Company's business dynamics, global business and social perspective,
- 5.2.2 educational and professional background and personal achievements
- 5.2.3 professional ethics, integrity and values
- 5.2.4 ability to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions
- 5.2.5 willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively

- 5.3 The proposed appointee shall also fulfil the following requirements:

- 5.3.1 Shall possess a Director Identification Number;
- 5.3.2 Shall not be disqualified under the Companies Act, 2013;
- 5.3.3 Shall give his written consent to act as a Director;
- 5.3.4 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- 5.3.5 Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- 5.3.6 Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- 5.3.7 Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other relevant laws.

5.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

**Criteria of Independence**

5.5 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

5.6 The criteria of independence as laid down in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, shall be applied by the Committee for their assessment.

5.7 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

**Other directorships/committee memberships:**

5.8 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

5.9 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

5.10 A Director shall not serve as Director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020.

5.11 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director/ Managing Director in any Listed Company.

5.12 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

5.13 For the purpose of considering the limit of the Committee membership, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## **6 PROCEDURE FOR SELECTION AND APPOINTMENT OF EXECUTIVES OTHER THAN BOARD MEMBERS**

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;