

NOMINATION AND REMUNERATION POLICY



MICRO LABS LIMITED

1. APPLICABILITY

In terms of the Section 178 of the Companies Act, 2013, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel(KMP) and Senior Management of Micro Labs Limited has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

This Policy document serves the following purpose:

- To assist Nomination and Remuneration Committee (NRC) in identifying persons who may be appointed in Senior Management and recommend to Board.
- To specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out by the Board or the Nomination and Remuneration Committee.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations ,development and governance.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To Remunerate directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal.
- To ensure that level and composition of Remuneration is reasonable and sufficient to attract, retain and motivate directors and Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.

2. SCOPE

The Board has constituted the “Nomination and Remuneration Committee” in line with the requirements under the provisions of the Companies Act,2013. This policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior managerial personnel of the Company.

3. DEFINITION

- a. **“Act”** means Companies Act,2013
- b. **“Board”** means Board of Directors of the Company
- c. **“Director”** means directors of the Company
- d. **“Key Managerial Personnel”** or **“KMP”** under the Act means
 - i. Managing Director
 - ii. Wholetime Director
 - iii. Chief Financial Officer
 - iv. Company Secretary
 - v. Such other officer as may be prescribed
- e. **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise all members of the management one level below the Managing Director/ Whole time director including the functional head.

4. APPOINTMENT AND REMUNERATION

4.1. **Appointment of Directors/Key Managerial Personnel/ Senior Management Personnel**

The Nomination and Remuneration Committee, inter –alia considers qualifications, positive attribute, area of expertise and number of Directorship and Membership held in various committees of others companies by such persons for selections.

The Board considers the recommendation of the committee’s and takes appropriate decision.

5. ROLE OF THE COMMITTEE

The Company has constituted a Nomination and Remuneration Committee of the Board of Directors. The role of the Nomination and Remuneration committee will be following :

- Recommend to the Board, appointment and removal of Directors, KMP and Senior Management Personnel in accordance with the criteria laid/ Board skill Matrix.
- To formulate criteria for determining qualifications, positive attribute and Independence of a Director
- Recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

The meeting of the committee shall be at regular interval as may be deemed fit and appropriate with at least one meeting in a year.

6. REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

- The Remuneration to directors/ Managing Directors/ Whole-time Directors will be governed as per the provisions of the Companies Act,2013 and Rules made thereunder.
- The Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial Personnel / Senior Management Personnel.
- The Composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to effectively run the Company.
- The Human Resource department will inform the Committee, the requisite details on the proposed increments for every Annual Salary Review cycle including payout for the performance incentive .
- The Remuneration structure shall include the following :

a. Total Cost to Company – This consist of elements of compensation that are considered as “Cost to Company” which includes fixed and variable pay.

b. Benefits – In addition to above , Company shall provide certain reimbursement and benefits consisting of following :

- Group Medclaim Insurance Policy
- Group Personal Accidental Insurance Policy
- Mobile Reimbursement Policy
- Laptop and Data card policy
- Car Policy

➤ Level and Designations :

Level	Designations
01	Managing Director/ Whole-time Director
02	COO/ Executive Vice President
03	Senior Vice President
05	Vice President
06	Senior General Manager/ General Manager
