

NOMINATION AND REMUNERATION POLICY OF INTERNATIONAL CARS AND MOTORS LIMITED

This Nomination and Remuneration Policy (hereinafter the "**Policy**") of International Cars And Motors Limited (hereinafter the "**Company**") is being formulated in compliance with section 178 of the Companies Act, 2013 (hereinafter the "**Act**") read with the applicable rules thereto. This Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (hereinafter the "**Committee**") of the Company and has been approved by the Board of Directors.

DEFINITIONS:

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

"**Key Managerial Personnel**" means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed in the Act.

"**Senior Management**" means the personnel of the Company, who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the directors, including all functional heads.

"**Remuneration**" means any money or its equivalent given or passed to any person in the form of fixed pay and includes perquisites as defined under the Income-tax Act, 1961, incentive pay (variable) and / or the commission as percentage of the net profit or sale, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

OBJECTIVES:

The objective of the Policy is to ensure that: -

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 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.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

ROLE OF COMMITTEE:

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the Policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.

- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

MEMBERSHIP:

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

TERM / TENURE:

a) Managing Director/Whole-time Director:

The Company may appoint or re-appoint any person as its Executive / Non-Executive Chairman, Vice Chairman, Managing Director or Executive Director or Whole - time Director for a term not exceeding five (5) years at a time.

b) Independent Director:

An Independent Director shall hold office for a term upto 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 of upto maximum of 5 years each, 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.

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 listed 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 Companies Act, 2013.

EVALUATION:

The Committee shall carry out evaluation of performance of Directors, Key Managerial Personnel and Senior Management personnel yearly or at such intervals as may be considered necessary.

REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT:

The Directors, Key Managerial Personnel and Senior Management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain any Director, Key Managerial Personnel, Senior Management personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approvals obtained from the members of the Company.
- b) The Nomination and Remuneration Committee may make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 and as approved by the Board of Directors time to time. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and / or approved by the Board of Directors.
- b) All the remuneration of the Non - Executive / Independent Directors {excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013} , if any, shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration, if any, shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the Remuneration for the purposes of Clause (b) above if the following conditions are satisfied:
 - i) The services are rendered by such Director in his / her capacity as the professional; and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The Remuneration to Key Managerial Personnel and Senior Management may consist of fixed

pay and incentive pay (variable) and / or the commission as percentage of the net profit or sale, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc., as per the policy of the Company.

c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided quarterly / half – yearly / annually or at such intervals as may be considered appropriate as per the policy of the Company.

IMPLEMENTATION:

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.

MINUTES OF COMMITTEE MEETING:

The proceedings of all meetings shall be minuted and signed by the Chairman of the Committee. The minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

AMENDMENT TO THE POLICY:

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee may 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.