



**UV ASSET RECONSTRUCTION COMPANY LIMITED**  
*(Restoring NPAs back to health)*

**NOMINATION & REMUNERATION POLICY**

## **NOMINATION AND REMUNERATION POLICY**

### **1.1 CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:**

- (i) The Nomination and Remuneration Committee will consist of three 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 such Committee.
- (ii) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.
- (iii) The meeting of Committee shall be held at such intervals as may be required to carry out the objectives set out in the Policy.
- (iv) The Committee members may attend the meeting physically or through Video conference or through permitted audio -visual mode, subject to the provisions of the applicable laws. 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.

### **1.2 ROLE AND POWERS OF THE COMMITTEE:**

The Role and Powers of the Committee shall be as under:

- (i) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- (ii) To identify persons who qualify to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.
- (iii) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel.
- (iv) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- (v) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks.
- (vi) To formulate criteria for evaluation of Independent Directors and the Board.
- (vii) To carry out evaluation of every Director's performance.

- (viii) To carry out any other function as is mandated by the Board from time to time and /or enforced by the regulatory and statutory notification, amendment or modification, as may be applicable.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorised by him, shall be present at the General meetings of the Company, to answer the shareholders queries, related to functioning role of the Committee, if any.

### **1.3 APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:**

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- (ii) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- (iii) Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder.

### **1.4 REMUNERATION**

#### **I. Remuneration Policy for Directors and Key Managerial Personnel :**

- (i) The remuneration / compensation / commission etc. to the Whole-time Director, KMP will be determined by the Committee and recommended to the Board for approval.
- (ii) The remuneration/compensation/commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- (iii) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board or approve of its own as it may deemed fit, which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- (iv) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## **II. Remuneration to Whole-time / Executive / Managing Director and KMP:**

### **(i) Fixed pay:**

The Whole-time Director and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and / or Central Government, wherever required.

### **(ii) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government. .

## **III. Remuneration to Executive/ Non-Executive Directors/Independent Directors:**

- (i) Executive/ Non-Executive Directors/Independent Directors shall be paid a sitting fee of Rs. 50,000/- for every meeting of the Board and Rs. 10,000/- for every committee thereof attended by them as member.
- (ii) The company has no stock options plans and no payment by way of commission, bonus, pension, incentives etc. shall be made.

## **1.5 MONITORING, EVALUATION AND REMOVAL:**

### **I. Evaluation:**

The Committee shall carry out evaluation of performance of Director, on yearly basis as per the criteria laid down in Annexure-I of this policy.

### **II. Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management personnel subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

### **III. Minutes of Committee Meeting:**

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

#### **1.6 AMENDMENT TO THE POLICY:**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration 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, circular(s) etc.

#### **1.7 DISCLOSURE:**

The details of this Policy shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

-----

## Annexure-I

### CRITERIA FOR EVALUATION OF PERFORMANCE

#### EVALUATION FACTORS

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director.

Evaluation of Independent Directors shall be carried on by the entire Board in the same was as it is done for the Executive Directors of the Company except the Directors getting evaluated.

Appraisal of each Director of the Company shall be based on the Criteria as mentioned herein below.

#### Rating Scale

Performance	Grade
Excellent	A
Very Good	B
Good	C
Poor	D

The Company has chosen to adopt the following Board Performance Evaluation Process:

Some of the Specific issues and questions that should be considered in a performance evaluation of Independent Directors being evaluated shall not be included, are set out below:

*Name of Director being assessed:* \_\_\_\_\_

S.No	Assessment Criteria	Rating	Remarks / Comments
1.	Attendance and participation in the meetings		
2.	Raising of concerns to the Board		
3.	Safeguard of Confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meeting.		
5.	Initiative in terms of new ideas and planning for the Company.		