



TEXEL INDUSTRIES LIMITED
(L29100GJ1989PLC012576)

NOMINATION AND REMUNERATION POLICY

REGISTERED OFFICE
Block No. 2106, Santej – Khatraj Road,
Nr. Shah Alloys Ltd, Village: Santej,
Tal: Kalol (N.G) 382721
Dist: Gandhinagar, Gujarat.
India.

Phone No.: +918980026220/ 26110
Fax No.: +91-2764-286330
Email : info@geotexelin.com

1. INTRODUCTION

Earlier the company had formulated “Remuneration Committee” pursuant to the erstwhile Companies Act, 1956 and Clause 49 of the Listing Agreement. The Board in its meeting re-constituted the “Remuneration Committee” to “Nomination and Remuneration Committee”.

Pursuant to Section 178 of the Companies Act, 2013 read with applicable rules thereto and Regulation 19 of the SEBI (Listing Agreement and Disclosure Requirement) Regulations, 2015, the Board of Directors of every listed Company and such other class or classes of companies, as may be prescribed, shall constitute the “Nomination and Remuneration Committee” and adopt nomination and remuneration policy. In order to align with the provisions of the Companies Act, 2013 and Listing Regulations, the Board of Directors has formulated “Nomination and Remuneration Committee” and adopted the said policy.

The Company has also adopted the “Nomination and Remuneration policy” which has also been approved by the Board of Directors of the Company. The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015.

2. DEFINITIONS

- “Board” means Board of Directors of the Company
- “Company” means **TEXEL INDUSTRIES LIMITED**
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- “Committee” means Nomination and Remuneration Committee.
- “Director” means Directors of the Company.
- “Policy” means Nomination and Remuneration Policy as amended from time to time.
- “Key Managerial Personnel” means:
 - i) Managing Director or Chief Executive Officer or Manager
 - ii) Whole-time Director;
 - ii) Chief Financial Officer;
 - iii) Company Secretary; and
 - iv) Such other officer as may be prescribed.
- “Senior Managerial Personnel” mean 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, of rank equivalent to General Manager and above, including all functional heads.
- “Executive Director/Managing Director” means a Director who is in the whole time employment of the Company and includes a Whole time Director.
- “Non-Executive Director” means a Director who is not in the whole time employment of the Company and includes an Independent Director.

- “Independent Director” means a Director referred to in Section 149 of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015.

3. COMPOSITION OF THE COMMITTEE

- The Committee shall consist of Minimum 3 (three) Directors, all Directors shall be Non-Executive Directors and 50% of Directors shall be Independent Directors.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Chairperson of the Committee shall be Independent Director.
- Membership of the Committee shall be disclosed in the Annual Report.

4. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required but at least once every year.

5. QUORUM

Minimum two (2) Directors will constitute a quorum for the Committee Meeting.

6. OBJECTIVE

The Objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management personnel. The Key objective of the committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To determine that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.

7. APPLICABILITY AND COMMENCEMENT

This policy is applicable to Directors, Key Managerial Personnel and Senior Management. This new policy will be effective from date of its approval in the board Meeting held on 06.11.2014.

8. INTERPRETATION

The terms that have not been defined in this policy shall have the same meaning as assigned to them in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 as amended from time to time.

9. ROLE AND DUTIES OF THE COMMITTEE

The Role and Duties of the committee inter alia will be as follows:

- To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To formulate criteria for evaluation of the Independent Directors and the Board.
- To carry out evaluation of every Director's performance.
- Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel new Senior Management personnel.
- To provide the Key Managerial Personnel and Senior Management personnel with reward based fixed and incentive pay which is directly linked to their efforts, performance, dedication, achievement and operations of the Company.
- To recommend to the Board the appointment, removal and the remuneration payable to a relative of a Director.
- To assist the Board in fulfilling its responsibilities.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

10. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNAL AND SENIOR MANAGEMENT

A. Selection of Directors, Key Managerial Personnel and Senior Management

The selection of Directors can be made in any of the following ways:

- On recommendation of the Chairman or any other Director
- By way of recruitment from outside
- By way of selection from the data bank of Independent Directors maintained by the Government
- From within the Company hierarchy.

The selection of Key Managerial Personnel and Senior Management can be made in any of the following ways:

- By way of recruitment from outside
- From within the Company hierarchy
- Or any other way as governed by the prevailing HR. Policy.

B. Appointment Criteria and Qualifications:

- The person should possess adequate qualification, expertise, skills and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Before appointment, the Company shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management Personnel.
- The Committee shall approve the remuneration as well as the appointment, made by the HR Department/Company of the Senior Management personnel and put forward it the Board. The same shall be done after considering the integrity, qualification, expertise and experience of the person appointed.
- The Committee may call and seek the help of the head of HR Department or any other Company Official including the recommender or a Key Managerial Personnel while approving the appointment.

C. Term / Tenure

a) Managing Director/Whole-time Director/Executive Director/Manager:

- The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman or Executive Director or Whole Time Director for a term not exceeding five (5) years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.
- The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Chairman/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

b) Independent Director:

- An Independent Director shall hold office for a term up to five (5) 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 (2) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three (3) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three (3) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

c) Key Managerial Personnel and Senior Management:

- The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR. policy of the Company or as per the applicable provisions of the Companies Act 2013.

D. Evaluation

- The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

E. Retirement

- The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act 2013 or as per the prevailing HR policy of the Company. They can be retained in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

F. Removal

- Due to reasons for any disqualification/misconduct/fraud mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

11. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS AND SENIOR MANAGEMENT

A. Remuneration to Managing Director/Whole-time Director/Executive Director/Manager:

- The Remuneration/ Compensation/ Commission etc. to be paid to Director /Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

B. Remuneration to Non- Executive / Independent Director:

- The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

C. Remuneration to Key Managerial Personnel and Senior Management:

- The Remuneration/Compensation/Commission payable to the Key Managerial Personnel and Senior Management shall be as per the prevailing HR policy of the Company or as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

12. Review and Amendments

- The Committee or the Board may review the policy as and when it deems necessary.
- The Board of Directors or the Committee shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy.
