



ALBERT DAVID LIMITED

CIN: L51109WB1938PLC009490; Regd. Office: 'D' Block, 3rd Floor, Gillander House,
Netaji Subhas Road, Kolkata - 700001; Tel.: 033-2262-8436 Fax: 033-2262 8439
Email: adidavid@dataone.in Website: www.albertdavidindia.com,

NOMINATION AND REMUNERATION POLICY

[This revised Policy shall be effective from April 1, 2019]

I. Preamble

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “**Act**”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “**Listing Regulations**”), the Board of Directors of **Albert David Ltd.** (“the Company”) has constituted the Nomination and Remuneration Committee and framed the Nomination and Remuneration Policy.

II. Objective

This Nomination and Remuneration Policy (the “**Policy**”) has been formulated by the Nomination and Remuneration Committee (the “**Committee**”) and approved by the Board of Directors of the Company (the “**Board**”) in compliance with the requirements of the Act and the Listing Regulations.

The key objectives of the Policy are as follows:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board, remuneration payable to the Directors, Key Managerial Personnel and other senior employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. 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.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To devise a Policy on Board Diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

III. Definitions

- a. **“Act”** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- c. **“Board”** means the Board of Directors of the Company.
- d. **“Directors”** shall mean Directors of the Company.
- e. **“Key Managerial Personnel”** or **“KMP”** means:

in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:
 - (i) the Chief Executive Officer or the Managing Director or the manager;
 - (ii) the Whole-Time Director;
 - (iii) the Chief Financial Officer;
 - (iv) the Company Secretary;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) Such other officer as may be prescribed.
- f. **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management team one level below the Managing Director & CEO / Wholetime Director / Manager. Senior Management shall include the CEO / Manager, in case they are not part of the Board and shall specifically include Company Secretary and Chief Financial Officer and any other officials as may be decided by the Board.
- g. **“Independent Director”** means a Director referred to in Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

IV. Appointment and removal of Directors, KMPs and Senior Management

a. Appointment

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, 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 the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the

age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

- iv. The Company shall take a prior approval of the Members by way of a Special Resolution for appointment/continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

b. Term / Tenure

i. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

ii. Independent Director

- a) An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board 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.
- b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment only after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of an Independent Director(s) it should be ensured that the number of Boards on which such Director serves as an Independent Director is restricted to 7 (seven) listed companies. In case such Director is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the Listing Regulations, then such Director shall act as Independent Director of maximum three listed companies.

c. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on yearly basis. The evaluation of performance of the Board, its Committees and Individual Directors will be carried out by the Board and by the Committee or by an independent external agency, if the Committee / Board decide so. The Board / Committee shall also review implementation and compliance of outcome of evaluation. Evaluation of Independent Directors shall be done by the entire Board of Directors provided that in the above evaluation, the Directors who are subject to evaluation shall not participate.

Performance evaluation shall include the following broad criteria:

- Accomplishment of the organization's mission, objectives and strategic results for which the Executive Director is responsible.
- Ensuring that the board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Company.

- Adequacy of processes which monitor business performance, Board member interaction with management, adequacy of Board knowledge, adequacy of business strategy, Board being informed, evaluation process for executives and Directors.
- Appropriateness of balance and mix of skills, size of Board, contribution of individual Board members, adequacy of performance feedback to Board members, adequacy of procedures dealing with inadequate performance by a Board member.
- Board's effectiveness in use of time, whether Board allowed sufficient opportunity to adequately assess management performance, Board's ability to keep abreast of developments in the wider environment which may affect adequacy of meeting, frequency and duration.
- Working relationship between Executive Chairman and Managing Director & CEO, segregation of duties between the Board and management, ability of Directors to express views to each other and to management in a constructive manner, adequacy of Board discussions and management of divergent views.

The evaluation will take place annually as per the requirement of the Act and the Listing Regulations. The Board may undertake more frequent evaluations, if warranted. The performance evaluation will typically address activities, events and accomplishments that took place during the most recently completed fiscal year.

d. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

e. Retirement

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

f. Resignation

Resignation shall be governed as per the terms and conditions of appointment of such Director / KMP or Senior management person.

V. Policy relating to the remuneration

The remuneration / compensation / commission etc. to the Managing Director & CEO / Whole-time Director/ Executive Director, KMPs and Senior Management will be determined by the Committee and recommended to the Board for its approval.

The remuneration and commission to be paid to the Managing Director & CEO and / or Whole-time Director /Executive Director shall be in accordance with the provisions of the Act and the Listing Regulations and any other laws, as may be applicable. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board for its approval.

The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the

Shareholders of the Company wherever necessary.

a. Remuneration to Managing Director/ Whole-time / Executive Director, KMP and Senior Management

i. Fixed pay:

The Managing Director & CEO / Whole-time Director / Executive Chairman, KMP and Senior Management 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 including but not limited to, employer's contribution to Provident Fund (PF), Superannuation Fund, Pension Scheme, Medical expenses, Club fees, Leave Travel Allowance, etc. shall be recommended by the Committee and approved by the Board; Shareholders approval, wherever required, shall be taken.

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 Managing Director / Whole-time / Executive Director in accordance with the provisions of Schedule V to the Act and obtain such approvals as may be necessary.

iii. Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

b. Remuneration to Non-Executive Director / Independent Director:

i. Remuneration

The remuneration / commission shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force.

ii. Sitting Fees

The Non-Executive Directors and Independent Directors shall receive remuneration by way of fees for attending meetings of the Board or Committees thereof at such rate as may be determined by the Board from time to time subject to maximum amount as provided in the Act. They shall be entitled to reimbursement of expenses for attending meetings of the Company.

iii. Commission

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

iv. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

VI. Membership

- a. The Committee shall comprise of at least (3) three non-executive Directors, out of which majority shall be Independent Directors.

- b. The Board shall reconstitute the Committee as and when required and to comply with the provisions of the Act and the Listing Regulations.
- c. The quorum for the Meeting of the Committee shall be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- 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 of Directors.

VII. Chairperson

- a. The Chairperson of the Committee shall be an Independent Director.
- b. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d. Chairman of the Nomination and Remuneration Committee meeting can be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

VIII. Frequency of Meetings

The Nomination and Remuneration Committee shall meet at least once a year.

IX. Committee members' interests

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at meetings of the Committee.

X. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

XI. Voting

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. Duties of the Committee

a. Duties with respect to Nomination

- i. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ii. Ensuring that on appointment to the Board, Independent Directors receive a formal letter of

appointment in accordance with the guidelines provided under the Act;

- iii. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- iv. Determining the appropriate size, diversity and composition of the Board;
- v. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- vi. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- vii. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- viii. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of the Managing Director / Whole Time Director / Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ix. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- x. Recommend any necessary changes to the Board; and
- xi. Considering any other matters, as may be requested by the Board.

b. Duties with respect to Remuneration

- i. To consider and determine the remuneration based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board, and such other factors as the Committee shall deem appropriate. The Committee shall fix all elements of the remuneration of the Members of the Board;
- ii. To recommend and approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company;
- iii. To delegate any of its powers to one or more of its Members of the Committee;
- iv. Matters relating to professional indemnity and liability insurance;
- v. To consider any other matters as may be requested by the Board.

XIII. Minutes of Committee Meeting


Proceedings of all meetings of the Committee must be minuted and signed by the Chairman of meeting or of the subsequent meeting of the Committee. Minutes of the Committee meetings will be tabled at subsequent Board and Committee meeting.

XIV. Deviations from this Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

XV. Amendment

The Nomination and Remuneration Committee and Board will review and may amend / modify this Policy from time to time. Any subsequent amendment to the Act or the Listing Regulations or any other law in this regard shall automatically apply to this Policy.

For ALBERT DAVID LIMITED

(Indrajit Dhar)
Associate V.P. (Accounts & Taxation)
& Company Secretary