



NOMINATION AND REMUNERATION POLICY

1. Introduction:

In terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

2. Objectives

The objectives of the policy are:

- a. To formulate criteria, terms & conditions to identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions and to determine their remuneration based on the company's financial performance and prevalent trend and practices of remuneration in Industry.
- b. To provide for evaluation of the performance of the Directors, Key Managerial Personnel and Senior Management Personnel.
- c. To provide reward to Key Managerial Personnel and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's objectives.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and to create competitive advantage

3. Definitions:

- a. Act means the Companies Act 2013 as amended from time to time;
- b. Board means Board of Directors of the Company;
- c. Director means Directors of the Company;
- d. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time;

- e. Company means Roto Pumps Ltd;
- f. Independent Director means a director as referred in clause 49 of the Listing Agreement with the Stock exchanges and in Section 149 (6) of the Companies Act, 2013;
- g. Key Managerial Personnel (KMP) means-
 - i. the Chief Executive Officer or the managing director or the manager;
 - ii. the Company Secretary
 - iii. the Whole-Time Director
 - iv. the Chief Financial Officer, and
 - v. such other officer as may be prescribed under the applicable statutory provisions / regulations
- h. Listing Agreement means listing agreement with the Stock Exchanges as amended from time to time;
- i. Senior Management means employees of the Company occupying the position of Chief Executive Officer, Chief Operating Office, Vice Presidents and Heads of Units and Branches. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

The words or phrases not defined here would have the same meaning as defined in the Companies Act, 2013, rules made thereunder and the listing agreement.

4. Constitution of Nomination and Remuneration Committee

The Board renamed the Remuneration Committee as the Nomination and Remuneration Committee on 13th August, 2014.

The Constitution of the Nomination and Remuneration Committee is as under-

Sl	Name	Position
1	Mr. Anand Bordia	Chairman
2	Mr. Basant Seth	Member
3	Mr. Akhil Joshi	Member
4	Mr. Harish Chandra Gupta	Member

5. Applicability

The Policy is applicable to

- a. Directors (Executive and Non-Executive)
- b. Key Managerial Personnel (KMP)
- c. Senior Management Personnel

6. General Appointment Criteria:

- a. The Committee shall consider integrity, ethical standards and probity as the important attributes of the Director, KMP and Senior Management level. Domain knowledge and expertise, qualification and experience are factors to be considered by the Committee for recommendation to the Board for appointment as Director, KMP or at Senior Management level.
- b. The Committee should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Act, rules made thereunder, listing agreement or any other enactment for the time being in force.
- c. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Act, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

7. Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as prescribed under the Act and the Listing Agreement and also their appointment shall be governed as per the provisions of the Act and clause 49 of the Listing Agreement (as amended from time to time).

8. Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Act and rules made thereunder as amended from time to time and clause 49 of the Listing agreement.

9. Removal:

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10. Criteria for Evaluation of Independent Director and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

a. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets / performance parameters given to executive Directors by the Board from time to time reflecting short and long-term performance objectives of the Company.

b. Non-Executive Director:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- i. act objectively and constructively while exercising their duties;
- ii. exercise their responsibilities in a bona fide manner in the interest of the company;
- iii. devote sufficient time and attention for informed and balanced decision making;
- iv. refrain from any action that would lead to loss of his independence
- v. inform the Board immediately when they lose their independence,
- vi. assist the company in implementing the best corporate governance practices;
- vii. strive to attend all meetings of the Board of Directors and the Committees;
- viii. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- ix. strive to attend the general meetings of the company;
- x. keep themselves well informed about the company and the external environment in which it operates;

- xi. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- xii. abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

11. Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas /fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

12. Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The Chairman & Managing Director of the Company is authorised to grant increments upto 20% of Employees other than directors of the company.

1. Director/ Managing Director

Besides the above Criteria, the Remuneration to be paid to Director / Managing Director shall be governed as per provisions of the Act and rules made thereunder or any other enactment for the time being in force.

2. Non-executive and Independent Directors

The Non- Executive and Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/limits as provided under Act and rules made thereunder or any other enactment for the time being in force.

3. KMPs / Senior Management Personnel

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Act and rules made thereunder or any other enactment for the time being in force.