



GOA CARBON LIMITED
CIN L23109GA1967PLC000076

Nomination and Remuneration Policy

1. Introduction:

This policy has been prepared pursuant to the provisions of Section 178 and such other applicable sections of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail, and the company shall abide by the applicable law.

2. Objective:

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) The role of the nomination and remuneration committee shall be as specified as in Part D of Schedule II.

3. Definitions:

“**Act**” means the Companies Act, 2013 and rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company.

“**Key Managerial Personnel (KMP)**” means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time Director;
- Chief Financial Officer;



- Company Secretary; and
- such other officer as may be prescribed.

“Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

4. Membership:

- a) The Committee shall consist of a minimum 3 non-executive directors, at least two-third of them being independent.
- b) The quorum for a meeting of the committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.
- e) The nomination and remuneration committee shall meet at least once in a year.

5. Chairperson:

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairman 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 Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. 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 the meetings of the Committee.



7. 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.

8. Role of the Committee:

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) 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.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To develop and regularly review a succession plan for the Board (in view of the skill expertise-competence matrix) and for the Sr. Management.

9. Policy for appointment and removal of Director, KMP and Senior Management:

9.1 Appointment criteria and qualifications:

- a) The philosophy for appointment and retirement of directors of Goa Carbon Limited ("the company") is based on the commitment of fostering a culture of leadership with trust. The Directors appointment and retirement policy is aligned to this philosophy.
- b) 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 to the Board his/her appointment.
- c) 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.

9.2 Director Term, Tenure and Directorship:

- Boards are encouraged to seek a balance between change and continuity.
- In case of Non-Independent Non-Executive Director (NEDs), each term should be decided as per the provisions pertaining to the retirement by rotation. They can be reappointed for subsequent terms until the applicable retirement age.
- In case of Independent Directors (IDs), each term should not exceed a period of 5 years or until the applicable retirement age, whichever is earlier, extendable for up to a total of two consecutive terms. The Independent Director who has served the two consecutive terms as mentioned above, may be considered for a fresh appointment after the expiry of the cooling period as specified under the Act (presently three years of ceasing to become an Independent Director. Provided that the 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).
- Each term of a Managing Director (MD)/Executive Director (ED)/ CEO should not exceed a period of 5 years or until the applicable retirement age, whichever is earlier.
- MD and EDs/CEO shall hold office up to the age of 60 years, or earlier, as determined by the Board of the Company.
- The retirement age for Non-Independent NEDs would be 80 years unless a lower retirement age is specified under the laws applicable to the Company.
- The retirement age for IDs would be 75 years, unless a lower retirement age is specified under the laws applicable to the Company.

9.3 Board Appointment, Induction and Development

Procedure for Nomination and Appointment of Directors

- It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the company. Board composition analysis should ideally reflect in-depth understanding of the company, including its strategies, environment, operations, financial condition and compliance requirements.
- It is recommended that the NRC conduct a gap analysis and refresh the Board on a periodic basis, including every time a director's appointment or reappointment is required.



- Board members may provide director nominations to the Chairman of the NRC. The Chairman of the NRC should ideally maintain a list of nominees. The nominees should have a good personal and professional reputation.
- To meet the objectives of driving diversity and an optimum skill mix, the NRC may seek the support of outside Industry Expert, if needed.
- The NRC is responsible for reviewing and vetting the CVs of the potential candidates vis-a-vis the required competencies. The committee may meet the potential candidates prior to making recommendations of their nomination to the Board.
- It is the responsibility of the NRC to make recommendations to the Board in relation to the appointment of new directors. The NRC should conduct appropriate reference checks and due diligence on all director prospects before recommending them to the Board.
- Post approval, the desired candidate is invited to join the Board.
- At the time of appointment, the specific requirements for the position should be communicated to the person, including the expert knowledge expected.

9.4 Director's Induction and Development

The NRC will ensure an effective familiarization program for new directors.

The **familiarization program** may include:

- Roles, rights and responsibilities of directors.
- Mechanisms to build working relationship among the Board members.
- Core values, ethics and corporate governance practices of the Dempo Group.
- Industry/sectorial overview, Company's vision, strategic direction, business model.
- Financial matters, management team and business operations.
- Meetings with stakeholders, visit to business locations and meetings with senior and middle management.
- Directors are expected to make and implement their own plan for refreshing their knowledge.
- The NRC will support the directors, as may be required, to continually update their skills and knowledge and their familiarity with the company and its business.
- Training can be conducted by the company's experts from relevant fields, or by an external agency at the Head Office or at appropriate institutions.
- The company will fund/arrange for training on all matters which are common to the Board.



9.5 Evaluation:

The Committee shall carry out evaluation of performance of every Director (on yearly basis).

The Committee shall identify evaluation criteria which will evaluate Directors based on the attendance/preparedness/ participation/performance at board meetings, professional conduct and independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Committee shall oversee the framework for performance evaluation of the Board and Independent Directors.

9.6 Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10 Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like Process/Projects, Production, Management, Finance, Legal, Sales and Marketing, 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 two members who are financially literate.

11. Remuneration to Managing Director/Whole-time Director/Manager, KMP and Senior Management Personnel:

Key principles governing this remuneration policy are as follows:

11.1 Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent nonexecutive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.



- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, or such minimum amount in case of inadequacy of profits, as may be paid pursuant to the provisions of the Companies Act, 2013, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.
- An Independent Director shall not be entitled to any stock option of the Company.

11.2 Remuneration for Managing Director ("MD")/Executive Directors ("ED")/CEO/KMP/ Sr. Management

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent),
- Driven by the role played by the individual,
- Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay,
- Consistent with recognized best practices and



- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
 - The remuneration mix for the MD/EDs/CEO is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides eligible employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursing or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The Company provides retirement benefits as applicable.
 - In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs/CEO such remuneration by way of an annual increment and/or performance pay subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board subject to the overall ceilings stipulated in Section 197 of the Act or such other applicable provisions. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain qualitative and quantitative parameters as may be decided by the Board from time to time.
 - Industry benchmarks of remuneration.
 - Performance of the individual.
 - **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 Director/Manager/CEO in accordance with the provisions of Schedule V of the Act or such other applicable provisions and if it is not able to comply with such provisions, with the approval of the shareholders or such other approvals as may be necessary.
 - **Provisions for excess remuneration:**

If any Managing Director/Whole-time Director/Manager/CEO 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 requisite authorities, 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 requisite authorities.



- The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies approved by the Committee. The NRC shall review and recommend any proposed performance based increments or incentives in any financial year payable to the KMPs and the Senior Management Personnel based on the performance of the Company and the respective individuals.
- Loans and advances to employees of the Company:
The employees of the Company, on an application in writing to the Managing Director/Whole-time Director/Manager/CEO of the Company, be granted loan or advance at an interest rate to be decided by the KMP's of the Company with consideration to the income/financial status or position of the requesting employee/any other criteria or as per the Company's HR policies.

11.3 Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity, unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

12 Policy implementation

The NRC is responsible for recommending Appointment/Retirement and Remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of this policy.