

NOMINATION & REMUNERATION POLICY

1. INTRODUCTION

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of the policy

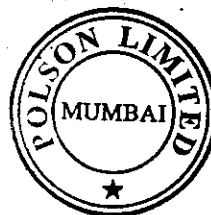
The objectives and purpose of this policy are:

- 2.1 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 policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;
- 2.2 The policy also addresses the following items: Committee member qualifications; Committee members appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- 2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.4 To devise a policy on Board diversity; and
- 2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee" of the Board on June 21, 2014. This is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.



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Definitions

'Board means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act, and applicable listing agreements and/or regulations.

'Company' means Polson Ltd.

'Independent Director' means a Director referred to in Section 149(60) of the Companies Act, 2013 and rules.

'Key Managerial Personnel (KMP)' means-

- I) The Managerial Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- II) The Company Secretary; and
- III) The Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

This Policy is divided in three parts:-

Part- A covers the matters to be dealt with and recommended by the Committee of the Board;
Part-B covers the appointment and nomination; and
Part-C covers remuneration and perquisites etc.

This policy shall be included in the Report of Board of Directors.



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Part-A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and Senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

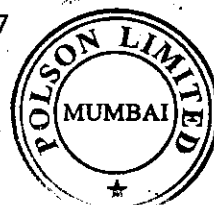
Identify ongoing training and education programs for the Board to ensure that Non-Execute Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:



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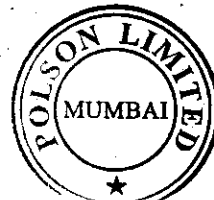
- (a) The remuneration of the Managing Director, Whole-time Directors and KMPs
- (b) The total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committee;
- (c) The remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
 - (i) Attract and motivate talent to pursue the Company's long term growth;
 - (ii) Demonstrate a clear relationship between executive compensation and performance; and
 - (iii) be reasonable and fair, having regard to best governance practices and legal requirements.
- (d) The Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements.
- (e) The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- (f) The Company's remuneration reporting in the financial statements and remuneration report.

PART –B

Policy for appointment and removal of Director, KMPs and Senior Management

Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. A person to be appointed as Director, KMP or senior management level 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.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insight in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director/Executive Director who has attained the age of sixty years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the



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discretion of the committee beyond the age of sixty years/seventy years with the approval of 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 sixty years/Seventy years as the case may be.

5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

Term/Tenure

1. **Managing Director/Whole-time Director**

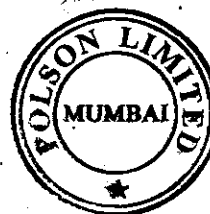
The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than once year before the expiry of term.

2. **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Director 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 consecutively terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an 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. However, if a person who has already served as an Independent Director for five years or more in the Company as on a April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies an Independent Director in case such person is serving as a Whole-time (Executive) Director of listed company.



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 or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART-C

Policy relating to the remuneration for Directors, KMPs and other employees

General

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, 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.



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Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modifications on the policy as recommended by the Committee would be given for approval of the Board of Directors.

Notwithstanding anything contained herein the Company and Managing Director reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy without any prior notice/authority/permission.

