

## Umang Dairies Limited

### Nomination and Remuneration Policy Adopted on 7<sup>th</sup> August 2014 (Amended on 13<sup>th</sup> May 2019)

#### A. Introduction

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated subject to the provisions of Section 178 of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) , as amended from time to time.

#### B. Role of the Committee

The Board of Directors of the Company at its meeting held on 6<sup>th</sup> February 2019 revised the Role of “Nomination & Remuneration Committee” of Directors (the Committee) as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees in accordance with provisions of Section 178(4) of the Act;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board
4. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
5. Devising a policy on diversity of board of directors;
6. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
7. To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.

### C. Criteria for recommending a person to become Director:

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:

#### 1. Qualification & Experience:

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

#### 2. Attributes/Qualities:

The incumbent Director may possess one or more of the following attributes/qualities:

- Respect for and strong willingness to imbibe the Company's Core Values
  - Honesty and professional integrity.
  - Strategic capability with business vision.
  - Entrepreneurial spirit and track record of achievement.
  - Ability to be independent and capable of lateral thinking.
  - Reasonable financial expertise.
  - Have contacts in fields of the business/corporate world/Finance/Chambers of commerce & industry.
  - Can effectively review and challenge the performance of management.
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3. In case the proposed appointee is an Independent Director, he should fulfil the criteria for appointment as Independent Director as per the provisions of the Act, SEBI Listing Regulations and other applicable laws & regulations. 'He' or 'his' as mentioned in this Policy includes any gender.
4. The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

### D. Director's Compensation

The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, SEBI Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

## E. Evaluation

The Board will review on an annual basis, the performance of the Board of Directors, its Committees and individual Directors as per the manner of performance evaluation specified by the Committee from time to time.

## F. Board Diversity

The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board. It will be Committee's endeavour to have at least one Director from the following fields:

- a) Accounting and Corporate Finance
- b) Legal and Corporate Laws
- c) Business, Management and Corporate Strategy

## G. Eligibility Criteria & Remuneration of Key Managerial Personnel and other Senior Management Personnel

The eligibility criteria for appointment of key managerial personnel and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of key managerial personnel shall be filled by senior personnel having relevant qualifications and experience.

The Compensation structure for Key Managerial Personnel and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks.

The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.