



DCM NOUVELLE LIMITED

CIN: L17309DL2016PLC307204

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NOMINATIONAND REMUNERATION POLICY

Table of Contents

SI No	Particulars	Page No
1.	Introductions & Objectives	3
2.	Definitions	4
3.	Constitution and Role of Committee	5
4.	Appointment and Removal	6
5.	Evaluation of Board & Committees	10
6.	Evaluation of KMP and SMP	12
7.	Remuneration Policy	13
8.	General	14

1. INTRODUCTION

DCM Nouvelle Limited (“**Company**”) considers human resources to be its invaluable asset. This policy on nomination, evaluation and remuneration of directors, key managerial personnel and senior managerial personnel of the Company (“**Policy**”) has been formulated by the Company’s Nomination and Remuneration Committee (“**Committee**”) and approved by the Board of Directors in terms of the relevant provisions of the Companies Act, 2013 (“**Act**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

2. OBJECTIVE

The objectives and the purpose of the Policy are:

- (a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Act and the SEBI Listing Regulations;
- (b) to set out criteria for the remuneration of directors, key managerial personnel and senior managerial personnel;
- (c) to set out the criteria for evaluation of performance of (i) Board as a whole; (ii) Committees of the Board; and (iii) the individual directors including the chairperson and the independent directors;
- (d) to adopt best practices to attract and retain talent by the Company and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- (e) to ensure diversity of the board of the Company.

3. DEFINITIONS

- (a) “**Act**” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- (b) “**Board**” means the board of directors of the Company.
- (c) “**Committee**” refers to the Nomination and Remuneration Committee of the Company which was constituted by the Board on May 15, 2019.
- (d) “**Company**” means DCM Nouvelle Limited.
- (e) “**Directors**” means the directors of the Company as may be appointed from time to time.
- (f) “**Independent Director**” means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in the Act and the SEBI Listing Regulations.
- (g) “**Key Managerial Personnel (KMPs)**” has the meaning assigned to it under Section 2(51) of the Act.
- (h) “**SEBI Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- (i) “**Policy**” means this nomination and remuneration policy of the Company.
- (j) “**Senior Managerial Personnel (SMPs)**” shall have the meaning assigned to the term Senior Management in Regulation 16(1)(d) of the SEBI Listing Regulations and Section 178(8) of the Act.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and the SEBI Listing Regulations shall have the meaning

respectively assigned to them therein.

4. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

- 4.1 The Committee shall consist of 3 (three) or more non-executive Directors, out of which not less than one half shall be Independent Directors.
- 4.2 The Chairman of the Committee shall be an Independent Director.
- 4.3 The Chairman of the Board of Directors of the Company may be nominated as a member of the Committee but shall not chair the Committee.
- 4.4 The Chairman of the Committee, or in his absence, any other member of the Committee authorized by him / her in this behalf, shall attend the general meetings of the Company, to answer the queries of the shareholders.

5. ROLE OF THE COMMITTEE

The role of the Committee shall include the following:

- 5.1 The Committee shall identify persons who are qualified to become Directors, KMP and SMPs in accordance with the criteria laid down by the Committee and recommend to the Board their appointment and removal.
- 5.2 The Committee shall periodically determine the criteria and shall also carry out the evaluation of performance of (i) Board as a whole; (ii) Committees of the Board; and (iii) the individual directors including the chairperson and the Independent Directors. It shall also determine whether to extend or continue the term of appointment of Independent Directors based on their evaluation.
- 5.3 The Committee shall periodically formulate the criteria for determining qualifications, positive attributes and independence of a Director.

5.4 The Committee shall ensure that the remuneration policy of the Company meets the following criteria:-

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the Company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to Directors, Key Managerial Personnel and Senior Management personnel involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

5.5 The Committee shall ensure that the appointments to the Board are made in a manner to ensure diversity in the Company.

6. APPOINTMENT AND REMOVAL OF DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT

Composition of Board

6.1 The Board shall consist of such number of directors as may be required to effectively manage the operations of the Company subject to a minimum of 3 (three) directors and a maximum of 15 (fifteen) directors including woman directors. The Board shall also have an apt combination of executive, non-executive and independent directors. The criteria for appointment of the executive, non-executive and independent directors and the personnel of senior management has been outlined below:

Appointment of Directors

6.2 For the post of a Director, it is envisaged that a person shall, (a) have attained the age of 21(Twenty One) years and the maximum age shall not exceed 75 (Seventy Five) years; and (b) at the minimum, be a graduate in any discipline and (c) be able to contribute positively to the deliberations at the Board meetings. However, in exceptional circumstances a person of the age of 75 years and above can be inducted as a Director if approved by the Board subject to special resolution

by the members in general meeting.

- 6.3 A person, to be appointed as a Director, should possess impeccable reputation for integrity, personal and professional ethics, deep expertise and insights in areas relevant for the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members and must not hold the office of a director in more than 20 (twenty) companies (provided that the maximum number of public companies, including in any holding or subsidiary companies of a public company, that such person can be director of is not more than 10 (ten)), at the same time subject to any changes/restriction as may be imposed under SEBI Listing Regulations.
- 6.4 The proposed appointee shall not be disqualified to be appointed as a director in terms of Section 164 of the Act and other applicable provisions of Act and / or SEBI Listing Regulations.
- 6.5 In making recommendations for appointment to the Board, the Committee shall ensure that the concerned persons represent diversity of gender, thought, experience, knowledge and perspective and have diverse qualifications, experience and exposure in areas including but not limited to finance, human relations, marketing, engineering, management, etc.
- 6.6 It shall be necessary to have at least 1 (one) woman Director and at least 1 (one) Director who has been a resident of India in the previous financial year on the Board.

Appointment of Independent Directors

- 6.7 At least one third of the Board shall comprise of Independent Directors, where the Chairman of the Board is a non- executive Director. However, where the Chairman of the Board is an executive Director, then at least one half of the Board shall comprise of Independent Directors.
- 6.8 The criteria for determining the independence of an Independent Director would be as per the provisions of the

Section 149 of the Act and Regulation 16(b) of the SEBI Listing Regulations and the Company shall re-assess the independence of such persons when any new interests or relationships are disclosed.

- 6.9 The Independent Director must possess appropriate skills, experience, knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- 6.10 An Independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board, but shall be eligible for re-appointment based on their evaluation of performance and on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- 6.11 No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to be an Independent Director.

Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed by or be associated with the Company in any other capacity, either directly or indirectly.

- 6.12 A person shall not serve as an Independent Director in more than 7 (seven) listed companies. However, a person who is serving as a whole-time Director of a listed company shall not serve as an independent director in more than 3 (three) listed entities.

Appointment of Managing Director, Whole time Director, Key Managerial Personnel and Senior Management

- 6.13 For being appointed as a managing director or a whole-time director or a manager of the Company, the minimum age of a person must be 25 (years) years and the maximum age should be 70 (seventy) years. However, in exceptional circumstances, the age limits may be relaxed for appointment as managing director or a whole time director or a manager if a special

resolution to this effect has been passed by the Company.

- 6.14 The Company shall appoint or re-appoint any person as its managing director or whole-time director for a term not exceeding 5 (five) years at a time and in accordance with the Act. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.
- 6.15 For the post of Key Managerial Personnel and Senior Management personnel, the human resources department of the Company shall lay down the minimum qualifications and desired experience criteria for each post. Such criteria shall also meet the statutory requirements wherever applicable.
- 6.16 Prior to being employed as a Key Managerial Personnel or Senior Management personnel in the Company, a person must clear the Evaluation criteria laid down by the HR department.
- 6.17 The HR department would also keep in view the age and profile of existing personnel and also the succession plan while identifying the suitable persons.

Retirement

Except for Directors whose office is liable to determination by rotation, all the other Directors, Key Managerial Personnel and Senior Managerial personnel (other than the managing director, whole time director or manager of the Company) shall retire as per the employment rules of the Company. However, the Board shall have the discretion to retain any such person even after the attainment of the retirement age in the best interests of the Company and in compliance with applicable laws.

Removal

Any Director or KMP or SMP may be removed from their role/services of the Company due to any disqualification arising under the provisions of the Act or under any other applicable law, violation of the Company's policies (including its Code of Conduct) or violation of such person's terms of appointment.

7. EVALUATION

7.1 Evaluation of Board as a whole

The evaluation of performance of the Board shall be made in accordance with the criteria which shall include the following:

7.1.1 structure of the Board with specific reference to the competency, experience of directors, mix of qualifications, diversity in the Board etc.;

7.1.2 meetings of the Board with respect to regularity, frequency, logistics, discussions at the meetings etc.;

7.1.3 fulfillment of the functions of the Board specified under the Act and the SEBI Listing Regulations such as evaluation of performance of other directors, evaluation of risk, grievance redressal for investors, conflict of interest, stakeholder value and responsibilities etc;

7.1.4 evaluation of performance of the management by the Board, independence of the management from the Board etc.

7.2 Evaluation of Committees

7.2.1 clearly defined mandate and composition in accordance with the law;

7.2.2 effectiveness in fulfillment of functions as assigned by the Board and laws as may be applicable;

7.2.3 meetings of the committee with respect to regularity, frequency, logistics, discussions at such meetings etc;

7.2.4 independence of the committee from the Board; and

7.2.5 contribution of the committee to the decisions of the

Board.

7.3 Evaluation of Directors

The performance of Directors shall be evaluated on the basis of the following criteria:

- (i) attendance at Board Meetings and committee meetings;
- (ii) preparedness, initiative and level of participation in Board meetings;
- (iii) expression of views in free, frank and an independent manner;
- (iv) participative discussions with management team when desired; and
- (v) qualifications, experience, commitment, team spirit, knowledge and competency of the concerned director.

7.4 In addition to the above, the independent directors and executive directors of the Company, including the managing and whole-time directors of the Company will be evaluated on the basis of:

Additional criteria for independent directors:

- i. Independence from the Company and other directors such that there is no conflict of interest between them;
- ii. Expression of independent views and judgments freely.

Additional criteria for chairperson and the executive directors:

- iii. their business performance as against laid out targets and business policies / plans;
- iv. their strategic contribution towards business sustenance and growth;
- v. effectiveness of leadership and ability to steer the meetings;
- vi. ability to keep stakeholders' interest in mind;

7.5 Different criteria may be assigned different weights depending

on various factors including but not limited to Company's requirements, circumstances, outcome of previous assessments, stage of Board's maturity etc.

7.6 The Committee shall carry out evaluation of performance of every Director at such intervals as may be considered necessary.

7.7 *Evaluation of Key Managerial and Senior Management personnel*

7.7.1 The performance of the Key Managerial (other than Managing and Whole-time Directors) and Senior Management personnel will be evaluated on the basis of key performance areas which shall be finalized by Company's human resources department in association with the concerned official. The evaluation shall be done on annual basis. However, in exceptional cases the evaluation of performance may also be undertaken at shorter intervals.

7.7.2 For the purpose of evaluation of performance of Board of Directors as whole, the committees of the Board, the individual directors and the senior management, the Board may also engage the services of a professional for advising on such process of evaluation, etc, and the cost of such professional shall be borne by the Company. However, the such professional agency advising the Company on the process of evaluation of performance shall not be a related party of the Company to ensure impartiality.

7.7.3 The Chairperson shall provide feedback to the concerned person whose performance has been evaluated in accordance with the criteria mentioned above, whether orally or in writing. The feedback given to the concerned persons shall be given honestly without bias.

7.7.4 The Board shall periodically review the process of evaluation. Such review may be done based on the feedback received from management, directors,

chairperson or other stakeholders etc. Based on such feedback, the Board on recommendation of the Committee shall revise the process of evaluation whenever there is a scope for improvement.

8. REMUNERATION POLICY

Remuneration for Directors

- 8.1 The remuneration to the Executive Directors, being MDs and WTDs (other than independent Directors) shall be based on their qualification, experience and industry standards. If it exceeds the limits prescribed under the Act, it shall be with due approval of the prescribed authorities.
- 8.2 The Independent Directors and Non-Executive Directors would be entitled to share the commission of 1% of the net profits of the Company calculated in accordance with Section 198 of the Act, as may be decided by the Board, from time-to-time. Besides above they will be entitled to sitting fees for attending to Board meetings and Committee meetings as may be decided by the Board within the limits prescribed under the Act.

Remuneration for Key Managerial Personnel and Senior Managerial Personnel

- 8.3 The remuneration payable to the Key Managerial Personnel and the Senior Management personnel shall be within the limits prescribed under the Act and fixed based on (a) their experience and qualifications; and (b) annual compensation surveys, followed by industry benchmarks, position benchmarks, performance benchmarks, comparative, and percentile position analysis. Annual increments will be based on such personnel's annual performance results and his/ her potential to grow into the next role. For factors beyond individual's control, mid-term corrections in the parameters can be made.
- 8.4 The Directors (excluding the Independent Directors), Key Managerial Personnel and the Senior Management shall be

entitled to grant of ESOPs as per the schemes, framed by the Company from time to time.

- 8.5 The total managerial remuneration paid by the Company shall be in accordance with the Section 196, 197, 198 read with Schedule V of the Companies Act, 2013 and Regulation 17(6) of the SEBI Listing Regulations .

9. GENERAL

- 9.1 In case of any subsequent changes to the Act or the SEBI Listing Regulations which make any of the provisions of the Policy inconsistent with the Act or the SEBI Listing Regulations, as the case maybe, the provisions of the Act and the SEBI Listing Regulations would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with applicable law.

- 9.2 The Policy shall be reviewed by the Committee as and when deemed appropriate by it. Any changes or modifications in the Policy, as recommended by the Committee, would be given for approval to the Board.

The policy has been approved by the Board of Directors of the Company on May 15, 2019.

For DCM Nouvelle Limited

Sd/-

(Managing Director)