

Nominations and Remuneration Policy

1. Preamble and Objective

This Nomination and Remuneration Policy ("Policy") provides the framework and key guiding principles to be followed in for appointment and determination of remuneration of Directors, Key Managerial Personnel and Senior management personnel as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP and Senior Management 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.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the remuneration of the directors, key managerial personnel, Senior Management and other employees of the Company.

2. Terms and references:

In this Policy, the following terms shall have the following meanings:

"Director" means a director appointed to the Board of the Company.

"Key Managerial Personnel" means as per Section 2(51) of the Companies Act, 2013.

"Nomination and Remuneration Committee" (NRC) means the committee constituted by Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The composition of the Committee is / shall be in compliance with the provisions of Section 178 of the Act and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

"Senior Management" shall mean the following 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.

3. Role of the Nomination and Remuneration Committee:

The Committee shall:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- ii) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- iii) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;

- iv) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- v) To devise a Policy on Board diversity.

4. Criteria for Appointment of Director, Key Managerial Personnel and Senior Management

Nomination and appointment of Directors, Key Managerial Personnel and Senior Management and other employees of the Company shall be based upon appropriate qualifications, experience and attributes.

The NRC shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment based upon the need of the Company.

Appointment of Independent Directors is also subject to, role and capabilities required to be an independent director as determined by Committee from time to time and compliance of provisions of the Companies Act, 2013 and Listing Regulations.

5. Term:

The Term of the Directors including Managing/Whole time Director/ Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

Committee shall review and recommend 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.

6. Remuneration of Managing / Whole-time Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company any other approval as may be necessary required. Further, the Committee/ Chairman & Managing Director/ Joint Managing Director/ of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, based on the standard market practice and prevailing HR policies of the Company.

7. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

8. Policy on Board diversity:

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge etc. The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast one woman director.

9. Evaluation:

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. The Framework for performance evaluation of Independent Directors and the Board is decided by Board and the Committee from time to time.

10. Removal & Retirement:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

The Director and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board/ Chairman & Managing Director/ Joint Managing Director will have the discretion to retain the Director or Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

11. Policy Review:

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. This policy shall be deemed to be amended/or modified pursuant to any amendment or modification or replacement or reenactment of SEBI (LODR) Regulations, 2015 or any other laws and/or Regulations as amended, modified, replaced or re-enactment from time to time by the SEBI, Govt. of India and/or any other regulating authority.

Last Reviewed:	26 th October, 2021
Scheduled Review Date:	Annually or Biennially
Approved by:	Board of Directors

For, Cera Sanitaryware Ltd.

Anupam Gupta
Executive Director (Technical)
