

NOMINATION AND REMUNERATION POLICY

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 the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

OBJECTIVES OF THE COMMITTEE

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director
- v. And authorize related head to appoint Key Managerial Personnel and Senior Management Positions in accordance with the criteria laid down in this policy.
- vi. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

DEFINITIONS

- i. **'Board'**: Board means Board of Directors of the Company.
- ii. **'Committee'**: Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- iii. **'Company'**: Company means Veto Switchgears and Cables Limited.
- iv. **'Director'**: Director means Directors of the Company.
- v. **'Independent Directors'**: As provided under Clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent Director' shall mean a non-executive director, other than a nominee director of the Company:

- A. Who, in the opinion of the Board, is a person of integrity and possess relevant expertise and experience;
- B. (i) Who is or was not a promoter of the Company or its holding or subsidiary Company;
(ii) Who is not related to promoters or directors in the Company or its holding or subsidiary Company;

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- C. Apart from receiving the Director's remuneration, has or had no pecuniary relationship with the Company, its holding or subsidiary Company, or their promoters, or Directors, during the two immediately preceding financial year or during the current financial year;
- D. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding or subsidiary Company, or their promoters, or Directors, amounting to two percent. Or more of its gross turnover or total income or fifty Lakh rupees or such higher amount as may be prescribed, **whichever is lower**, during the two immediately preceding financial year or during the current financial year;
- E. Who, neither himself nor any of his relatives-
- i. holds or has held the position of a key Managerial personnel or is or has been employee of the Company or its holding or subsidiary Company in any of the three financial years immediately preceding the financial year in which I was appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which I was appointed of –
 - A. A firm of auditors or company secretaries in practice or cost auditor of the company or its holding or subsidiary company;
 - B. Any legal or a consulting firm that has or had any transaction with the Company or its holding or subsidiary company amounting to ten percent or more of the gross turnover of such firm;
 - iii. holds together with his relatives two percent or more of total voting power of the Company; or
 - iii. is a Chief Executive or a Director, by whatever name called, of any non-profit organization that receives twenty- five percent or more of its receipts from the Company, any of its promoters, directors, or its holding or subsidiary company or that holds two percent or more of the total voting power of the company; or
 - iv. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- F. Who is not less than 21 years of age.

vi. 'Key Managerial Personnel': Key Managerial Personnel means-

- a) The Chief Executive Officer or the managing director or the manager;
- b) The Company Secretary;
- c) The Whole-time Director;
- d) The Chief Financial Officer; and
- e) Such other officer as may be prescribed under the applicable statutory provisions/regulations

vii. '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.

APPLICABILITY

This Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted on August 22, 2012. At present, Nomination and Remuneration Committee comprises of Following Directors:

- a) Mr. Govind Ram Thawani
- b) Mr. Murlidhar Kaurani
- c) Mr. Mohan Sukhani

APPOINTMENT AND REMOVAL CRITERIA

- The Committee shall consider the different skills, qualification, professional experience, knowledge etc. of a person for appointment as Director and accordingly recommend to the Board his/her appointment.
- The Company should that the Person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- Director/Independent Director/KMP/Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- 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 discretion of the committee beyond the age of sixty years/seventy years with the approval of shareholders by passing a special resolution based on 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.
- 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 one 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 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 consecutive terms, but such Independent Director shall be eligible for appointment after the 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 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.

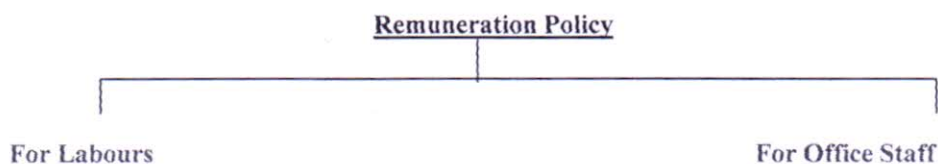
At the time of appointment of Independent Director, it should be ensured that number of Boards on which such independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time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

REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder 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.

If the Company removes the Director or KMP then Company will have to give notice of 1 month if the concerned person had work for 1 year. Notice of 2 months if the concerned person had work for 2 year and Notice of 3 months if the person had worked for more than 5 years or Company may pay the remuneration for such notice period.

REMUNERATION POLICY



1. For Labours:

For fixing the Remuneration for the Labours Minimum Wages Act, 1948 is applicable. Remuneration is payable on Hours basis.

2. For Office Staff:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management of the quantity required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. Minimum 5% increment to the Management of the Company may provide excess of remuneration on the basis of outstanding performance of employee only, if the Company is not satisfied with the performance of the Employee than they can restrict the increment. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

1. Managing Director

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 thereunder.

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.

2. **Directors**

The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommend to the Board for approval.

3. **Non executive Independent Directors**

The Non Executive Independent Director may receive remuneration by way of Sitting Fees for attending meetings of the Board thereof. Provided that the amount of such fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4. **KMPs/ Senior Management Personnel**

The Remuneration to be paid to KMPs/Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

5. **Directors' and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. 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.

POLICY REVIEW

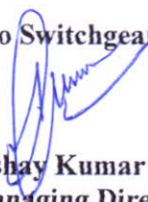
This Policy is updated based on the provisions of the Companies Act, 2013 and rules made thereunder and requirements of the Clause 49 of the Equity Listing Agreement with the Stock Exchanges.

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 modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

For and on Behalf of

Veto Switchgears and Cables Limited


Akshay Kumar Gurnani
(Managing Director)
(DIN: 06888193)