



NOMINATION AND REMUNERATION POLICY (“NMR”) POLICY

Preamble

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “Act”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “SEBI Listing Regulations”), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

I. Objective

In order to comply with the requirements of section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, The Nomination and Remuneration Committee of the Board of Directors of the Company (the “Committee”) had formulated this policy (the “Policy”).

The key objectives of the Policy are as follows:

- a. 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 of Directors of the Company (the “Board”), policies relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and other employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their efforts performance, dedication and achievement relating to the company’s operations.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To devise a Policy on Board Diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of the performance evaluation of Independent Directors.

II. 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. **“Directors”** shall mean the Directors of the company.

d. **“Key Managerial Personnel” or KMP** means:

in relation to a company as defined sub-section 51 of Section 2 of the Companies Act, 2013 means and includes:

(i) The Chief Executive Officer and the Managing Director or the Manager;

(ii) The Company Secretary;

(iii) The Whole Time Director;

(iv) The Chief Financial Officer,

(v) such other officer, not more than one level below the directors who is in the whole time employment, designated as key Managerial Personnel by the Board; and

(vi) Such other officer as may be prescribed.

e. **“Senior Management”** shall mean officers / personnel of the listed entity who are the members of its core management team excluding board of directors and normally this shall comprise all the members of management one level below the chief executive officer/ managing director/ whole time director/ manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

f. “Independent Director” means a director referred to in section 149(6) of the Act.

III. Appointment and Removal of Directors, KMPs and Senior Management.

a. Appointment Criteria and Qualifications:

i. the committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his/ her appointment.

ii. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole- Time Director or manager within the meaning of the Act , who has attained the age of 70 (seventy) years.

Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory



statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

b. Term/ Tenure:

(i) Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive 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.

(ii) 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. However, such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, subject to the Independent Director, during the said period of three years, not being associated with the Company in any other capacity, either directly or indirectly.

Any tenure of an Independent Director on the date of commencement of The Companies Act, 2013 shall not be counted as a term under Section 149 of the Companies Act, 2013.

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 to three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

c. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (Yearly).

d. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, and 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 and KMP subject to the provisions and compliance of the said Act, rules and regulations.

e. Retirement:

The Directors and KMP 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 Director, KMP,



Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

IV. Policy Relating To Remuneration for the Whole Time Director, KMP And Senior Management Personnel:

The remuneration/compensation/commission, etc, to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation / commission, etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government wherever required.

A. Remuneration to Non-Executive / Independent Directors:

Sitting Fees

The Non-Executive Directors shall be paid sitting fee for attending the Board and Committee meetings. The amount of such fees shall be as recommend by the Nomination and Remuneration Committee and approved by the Board subject to the limits specified under the Act or by the Central Government from time to time. In addition, the Directors shall be paid for travel and accommodation expenses in connection with Board/ Committee meetings of the Company

Commission

No Commission shall be paid to Non-Executive/ Independent Directors.

Stock options

Independent Directors shall not be entitled to any stock option of the Company.

B. Remuneration of Executive / Whole Time Director:

General Principal for the remuneration of the Executive / Whole-Time Director/ Key Management Personnel and Others:

- To compensate all executive adequately so as to attract, retain and motivate the best talents at all levels. In order to attract and retain managerial expertise, the elements of the remuneration of the members of the Executive Board / Key Managerial Personnel and Senior management personnel shall be determined on the basis of their performance, the functions they perform and the value they create as well as of the conditions in other companies. Care should be taken to ensure that there is minimum disparity between compensation level of existing and new employees.
- To compensate the employees for updating themselves with the changing requirements of the business and laws and enhance their capabilities for the benefit of the organization for attending skill development programmes and courses.



The Executive/ Whole-Time Directors shall be paid salary keeping in view the overall permissible managerial remuneration as per Section 197 of the Companies Act, 2013.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-Time Director. Increments will be effective from 1st April in respect of a Whole-time Director and other employees of the Company.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Excess remuneration:

If the Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, Where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

C. Remuneration of Key Management Personnel and Senior Management Personnel:

Each element of the remuneration should be weighted in order to ensure a continuous positive development of the company both in the short and long-term.

(i) Fixed salary, allowances and perquisites

a. Basic Salary:

The basic salary for all new recruitments shall be decided based on negotiations. At the time of recruitment, HRD should ensure that the salary is within the salary range of that particular grade in which the executive is to be recruited. Subsequent changes in the basic salary will be effected only at the time of an annual increment based on performance/ promotion.

b. House Rent Allowance:

For all grades, HRA will be 50% of the basic in metros and 40% in non-metro (for existing executives in grade 5 and above whose HRA is 50% of basic in non metro, the HRA will be brought down to 40% of basic and the differential amount will be added as Special Allowance).

c. Conveyance Allowance:



This is a fixed amount as per grade, it is provided for travel to and from the place of residence to work.

d. Special Allowance:

This is a variable component of the salary and is decided on case to case basis, depending upon the job profile / special circumstances of the employee.

e. Leave Travel Assistance:

This is a fixed amount as per grade and applicable to all executives. It is provided as financial assistance for travel to any place in India for the executive and his/ her family while on leave.

f. Medical Reimbursement Facility:

Medical reimbursement is paid to executives for medical treatments and health check-up for self and family.

g. Retrial Funds:

This includes Provident fund, Gratuity and Leave encashment payable to employees and will be governed by the rules of the individual funds / company policy as appropriate.

(ii) Annual Performance bonus:

Annual Performance Bonus is a variable incentive award in order to encourage the management team to meet the short-terms as well as long-term goals of the Company. The Board considers it appropriate that incentive programmes exist for the Executive/ Whole-time Directors and Senior Management personnel of the Company. Such incentive programmes may comprise any form of performance bonus, etc.

Annual bonus arrangements are one –year bonus schemes. The annual bonus payments are conditional upon compliance in full or in part with the terms and targets defined by the company and payable to the employees who are in service / extension at the time of declaring the bonus.

(iii) Promotions / Increments:

A promotion is a career opportunity for an employee that involves greater responsibilities and may also involve an increase in salary, and a change in title. In the normal course, an employee should have completed at least a minimum of 1 year of service in the Company, prior to being eligible for any kind of promotion.

The Company shall have a process of carrying out an annual appraisal of all its KMP and Senior Management personnel to assess their performance for the previous financial year. This appraisal shall form the basis for any increments that may be considered.

The criteria of evaluation for promotions/ increments would, inter alia, be as follows.



1. Need of the Organization.
2. On basis of performance appraisal scores.
3. Attendance (excluding Privilege Leave)
4. Competencies Education
5. Honesty and sincerity
6. Due weightage to a good service record in terms of:
 - Multi –tasking - Ability to do more than one task:
 - Behavior with subordinates, colleagues, peers
 - Demonstrated ability to improve quality, productivity, safety, cost and efficiency.
 - Consistency in the quality of work
 - Willingness to accept tasks
 - Ability to finish tasks on time and up to the desired level of efficiency.

Point to be considered for promoting an employee:

- Actual achievements against Key Responsibilities, Objectives (Action Plans), and measurements of performance factors leading to the overall scores of the appraisal;
- Competency at new level for the employee being considered for promotion;
- Overall growth plan of the organization;
- The promotion should lead to adding on more responsibilities;
- Education shall be used as a one of the main criteria for promotion of any person to a senior Managerial cadre and above; he should possess at least a Masters level degree or PG Diploma from a recognized institute.

V. Membership:

- (a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.
- (c) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- (d) Membership of the Committee shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless terminated by the Board of Directors.



VI. Chairperson:

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.

VII. Frequency of Meetings:

The Nomination and Remuneration Committee shall meet at least once a year.

VIII. Committee members' interests:

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

IX. Secretary:

The Company Secretary of the Company shall act as a Secretary of the Committee.

X. Duties of the Nomination & Remuneration Committee

Duties with respect to Nomination:

The duties of the Committee in relation to nomination matters include:

- (a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (b) Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- (c) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- (d) Determining the appropriate size, diversity and composition of the Board;
- (e) Setting a formal and transparent procedure for selecting new directors for appointment to the Board;
- (f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;



- (g) Evaluating the Performance of the Board Members and Senior Management in the context of Company's performance from business and compliance perspective;
- (h) Recommend any necessary changes to the Board and
- (i) Considering any other matters, as may be requested by the Board.

Duties with respect to remuneration:

The duties of the Committee in relation to remuneration matters include:

- (i) To consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- (ii) To recommend and approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company.
- (iii) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- (iv) Considering any other matters, as may be requested by the Board.

XI. Minutes of the Committee Meeting

Proceedings of all the Meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee Meeting will be tabled at the subsequent Board and Committee Meeting.

XII. Deviations from this policy.

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interest of the Company, will be made if there are specific reasons to do so in an individual case.

XIII. Amendment:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and/or amend any part of this policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendments/ modifications in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.



PERFORMANCE EVALUATION POLICY OF BOARD AND INDIVIDUAL DIRECTORS

1. PREAMBLE

Good governance envisages a continuous process of planning, setting directions, monitoring progress, evaluating performance, and accessing results. As part of this process it would be imperative for the Board of Directors of Dolfin Rubbers Limited (the Company) to evaluate the Board's Collective and Individual performance on an annual basis.

The evaluation process is intended to assess the collective performance of the Board and the effectiveness of the Board in fulfillment of its principal responsibility of ensuring corporate governance.

2. PURPOSE AND SCOPE

Each year the board of directors (the Board) of the Company will carry out an evaluation of its own performance and also of individual director. Performance evaluation is designed to:

- (a) Review the pre-determined role of the Board and individual Directors;
- (b) Annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- (c) Annually assess the performance of directors in their duties. This is achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- (d) Regularly evaluate the Directors' confidence in the integrity of the company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- (e) Enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.

3. PROCEDURE OF EVALUATION

There shall be three categories of evaluation:

- a) Evaluation of Performance of Board;
- b) Evaluation of performance of Executive Directors;
- c) Evaluation of performance of Non Executive and Independent Directors.



Factors

The Board of Directors may consider the detailed below parameters for the purpose of evaluating the performance of a particular director. In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board, Independent Directors and Non- Independent Executive Directors, as such evaluation factors may vary in accordance with their respective function and duties.

Rating Scale

Performance	Scale
Excellent	5
Good	4
Satisfactory	3
Need Improvement	2
Unacceptable	1

Criterion

Criterion for evaluation of performance of Board

The primary survey shall be the Annual Board Performance evaluation. It shall cover following three broad areas of Board accountability.

1. Board responsibilities;
2. Board operations
3. Board effectiveness.

The performance evaluation of the Board shall be done by the Independent Directors

Criterion for evaluation of performance of Independent Directors

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards and Code of Conduct of Company
- Assistance implementing corporate governance practices
- Rendering independent, unbiased opinion
- Attendance and presence in meetings of Board and Committees
- Attendance and presence in general meetings
- Leadership qualities
- Qualifications
- Disclosure of non –independence, if exists
- Independent view on key appointments and strategy formulation
- Objective evaluation of Board’s performance



- Review of integrity of financial information and risk management
- Safeguard of stakeholders' interests
- Appointment and removal of Key Managerial Personnel
- Determination of level of remuneration of Key Managerial Personnel
- Updation of skills and knowledge
- Punctuality
- Information regarding external environment
- Seeking expert opinion, when required
- Raising of concerns to the Board
- Safeguarding interest of whistle- blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Team work attributes
- Safeguard of confidential information.

The performance evaluation of non executive independent directors shall be done by entire board of directors (excluding the director being evaluated).

Criterion for evaluation of performance of Executive Directors

- Compliance with Article of Association, Companies Act and other laws
- Strategic planning –financial & business
- Monitoring Performance against plans
- Compliance with ethical standards & code of conduct
- Exercising duties diligently
- Qualifications and Experience
- Punctuality
- Disclosure of interest
- Leadership skills
- Motivating employees, providing assistance & directions

The performance evaluation of the Chairman and Executive directors shall be done by the independent Director.

4. METHODS OF CARRYING PERFORMANCE EVALUATION

The performance evaluation of Board and individual Director can be carried out by adopting any of the following method:

In-house evaluation

In-house evaluation facilitated by external provider

Evaluation carried out entirely by external provider



5. SUPPORT

The Secretarial and legal department is responsible for providing the support necessary to carry out the above evaluation and to report to the Board on the results of the surveys, recommending follow-up action as required.

REVIEW

Subject to the approval of Board of Directors, the Nomination and Remuneration Committee reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

DISCLOSURE

In accordance with the requirement under the Act/Listing Agreement, disclosure regarding the criterion for performance evaluation, qualification, positive attributes and independence will be made by the Board of Directors in the Board report, further, the Board's report containing such statement will be made available for the review of shareholders at the general meeting of the Company.