

# Nomination and Remuneration Policy

- IRIS CLOTHINGS LIMITED

## Nomination and Remuneration Policy

### Preamble:

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed company and such other class or classes of Companies, as may be prescribed under Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall constitute the Nomination and Remuneration Committee.

The Board of Directors (the "Board") of **Iris Clothings Limited** (the "Company"), has adopted the following policy and procedures with regard to Nomination and Remuneration as defined below. The Nomination and Remuneration Committee may, from time to time, review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

### Functions of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

- identify persons who are qualified to become directors and employees who may be appointed in Key Managerial Personnel, senior management in accordance with the criteria laid down by the company, recommend to the board their appointment, remuneration and removal, including succession planning;
- ensure that the board comprises of a balanced combination of Executive Directors, Non-executive Directors and also the independent Directors, including Board diversity;
- devise framework to ensure that directors are inducted through suitable familiarization process alongwith criteria for evaluation of independent directors and the board.
- Such other functions as may be decided in accordance with Companies Act, 2013 and the Listing Agreement, amended from time to time.

### Definitions:

**"Act"** means the Companies Act, 2013 and Rules framed thereunder as amended from time to time;

**"Board"** refers to Board of Directors of Iris Clothings Limited;

**"Directors"** mean Directors of Iris Clothings Limited;

**"Independent Director"** means Director appointed in terms of Section 149 of the Companies Act, 2013;

**"Key Managerial Personnel" (KMP)** 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;
- e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- f) such other officer as may be prescribed.

**"Senior Management"** means Personnel of the Company who are members of its Core Management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

### Scope:

The Board of the Company has constituted Nomination and Remuneration Committee as per requirement of provisions of the Companies Act, 2013. This policy prescribes guideline, criteria and principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior management of the Company.

## Policy:

### a) **Appointment of Directors/ Key Managerial Personnel or Senior Management Personnel:**

The Nomination and Remuneration Committee, inter alia, consider qualification, positive attributes, areas of expertise, experience, relevant knowledge about the industry of the Company and directorship or membership in various other companies as well as independency of the directors in case of appointment of independent director. The Committee recommend to the Board of the Company, for any appointment, afterwards final decision shall be taken by the Board of the Company.

### b) **Remuneration to Directors and Key Managerial Personnel:**

- The Committee shall recommend to the Board about the remuneration to the directors and key managerial personnel and periodically review that the remuneration payable to the directors and key managerial personnel is in the line and limits prescribed under provisions of the Companies Act, 2013 and approved by the shareholders of the Company.
- Non-executive Directors shall be entitled for sitting fees for attending Board and Committee meetings. They are also entitled for commission from profit, if any approve by the Board.
- For determining remuneration of Directors and Key Managerial Personnel the Committee shall take into account remuneration trends in the group companies or peer industry.
- For determining remuneration to Directors and Key Managerial Personnel, the Committee shall have power to obtain reliable, up-to-date information about remuneration in other companies. To fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the board.
- The remuneration structure shall include the following components:
  - Basic salary
  - Allowances & Perquisites
  - Commission, if any.
  - Stock options, if any.
  - Retired Benefits
  - Incentives.
- The Committee shall periodically review the remuneration payable to the Directors and Key Managerial Personnel and recommend any revision thereof on the basis of financial condition of the Company and performance of the director or key managerial personnel.

### **Remuneration to Senior Management and other employees:**

The Remuneration to senior management and other employees shall be decided on the basis of qualification, experience, performance, job profile, skills, position and industry criteria.

### **Loan and advances to Directors, Key Managerial Personnel and Senior Management:**

The Committee shall review and approve the loans and advances to Directors, Key Managerial Personnel and Senior Management in line with the requirements of provisions of Companies Act, 2013 and rules made thereunder.

### **Modification and Amendment:**

This policy is subject to modifications and amendments from time to time.

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