



# TOUCHWOOD ENTERTAINMENT LIMITED

CIN: L92199DL1997PLC088865

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## POLICY OF NOMINATION AND REMUNERATION COMMITTEE



**Touchwood Entertainment Limited**  
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**NOMINATION AND REMUNERATION POLICY**

**INTRODUCTION**

Our Company has constituted a Nomination and Remuneration Committee as per the requirements of applicable rules and regulations and the said committee comprises of:

<b>Name of the Director</b>	<b>Status</b>	<b>Designation</b>
Mr. Michael Anthony Cruz	Chairman	Independent Director
Mr. Manjeet Singh Saini	Member	Independent Director
Mrs. Paruldeep Kaur	Member	Independent Director

Pursuant to the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendations of the Nomination and Remuneration Committee the following Policy has been approved and adopted by the Board of Directors in their meeting held on September 6, 2017. This Policy shall replace the existing policy in its totality and shall be effective from 1<sup>st</sup> April, 2019.

**OBJECTIVE**

The objective of Nomination and Remuneration Committee is to identify persons who are qualified to become directors and who may be appointed in the senior management team of the Company. The Committee shall recommend to the Board their appointment and removal and shall also advice over the matters concerning their remuneration.

The members of the Nomination and Remuneration Committee must evaluate the qualification and experience of the persons to be employed in the senior management and must advice the Board with respect to their appointment or removal as the case may be.

(Senior management shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all 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.)



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### **MEETING:**

Members of the committee must meet atleast once in a year and quorum for every meeting should be one-third of its total strength or two members, whichever is greater, including at least one independent director in attendance.

### **TERMS OF REFERENCE**

The terms of reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management and to recommend to the Board their appointment and/or removal;
2. To specify the manner for effective evaluation of performance of the Board, its committees and individual directors
3. To 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 the directors, key managerial personnel, Senior Management and other employees;

Key Managerial Personnel means any key managerial personnel as defined under Companies Act, 2013, as amended from time to time.

4. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of executive directors;
5. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
6. Decide the amount of Commission payable to the Whole time Directors;
7. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.;
8. To formulate and administer the Employee Stock Option Scheme;
9. Formulate the criteria for evaluation for performance of Independent Directors and board of directors of the Company;
10. To 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;



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- 12.** To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- 13.** To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 14.** To recommend to the board, all remuneration, in whatever form, payable to senior management;
- 15.** To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- 16.** To perform such other functions as may be necessary or appropriate for the performance of its duties.

### **POLICY FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AND REMOVAL AS DIRECTOR AND SENIOR MANAGERIAL PERSONNEL – (CRITERIA FOR DETERMINING QUALIFICATIONS)**

The Committee shall:

- 1.** Identify and ascertain the honesty, reliability, qualification, expertise and experience of the person for appointment as Director or Senior Managerial Personnel and recommend the Board accordingly.
- 2.** The committee must ensure itself regarding the capabilities and eligibilities of the proposed appointee(s) and must ensure that the proposed appointee shall be able to devote the required time as may be necessary.
- 3.** The Committee shall be at discretion to decide whether qualification, expertise and experience possessed by the person is adequate for the proposed position.
- 4.** Any other assessment as may be required must be carried out by the Committee and on being satisfied with the overall eligibility of the person, the committee shall recommend his/her appointment to the Board accordingly.
- 5.** The Committee must always ensure that the appointment of the Directors and the Senior Management Personnel is as per all the applicable laws, rules and regulations.
- 6.** The Committee may recommend to the Board with the reasons recorded in writing, the removal of Director or Senior Managerial Personnel based on any disqualification that may be applicable as per the provisions of Companies Act, 2013 and the rules made there under or for any other reasons as may be justified by the Committee.

### **TERM OF APPOINTMENT**

The term of appointment of Managing Director/Whole Time Directors and Independent Directors of the Company shall be as per the provisions of the Companies Act, 2013 and the



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### **INDEPENDENCE OF A DIRECTOR**

With respect to the Independent Directors of the Company the committee shall additionally ensure their Independence as per the applicable provisions of Companies Act, 2013 and the Rules made there under and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. SEBI (LODR) Regulations, 2015 and as per the amendments as may be notified from time to time.

### **RETIREMENT**

The Directors of the Company shall be subject to retirement as per the applicable provisions of Companies Act, 2013 and the Rules made there-under as amended from time to time.

The Committee will be at its discretion to recommend retention of Directors even after they have attained the retirement age as per the applicable provisions for the benefit of the Company subject to fulfillment of the requirements as mentioned in Companies Act, 2013, the rules made there-under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **POLICY FOR EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES, INDEPENDENT DIRECTORS AND INDIVIDUAL DIRECTORS – (Positive Attributes)**

- 1.** Evaluation of performance of Board and Individual Directors shall be based on:
  - a.** achievement of financial/business targets as fixed by the Board;
  - b.** proper development, management and execution of business plans;
  - c.** display of leadership qualities i.e. correctly anticipating business trends and opportunities;
  - d.** establishment of an effective organization structure;
  - e.** participation in the Board/Committee Meetings;
  - f.** integrity and maintenance of confidentiality;
  - g.** any other criteria that may be considered necessary for the evaluation of the performance of the Board may be considered by the Committee.
- 2.** Evaluation of performance of Committee shall be based on:
  - a.** discharge of its functions and duties as per its terms of reference;
  - b.** effectiveness of the suggestions and recommendations received;
  - c.** conduct of its meeting and procedures followed in this regard.
- 3.** Evaluation of Independent directors shall be based on:
  - a.** Performance of the directors and
  - b.** Fulfillment of the independence criteria as specified under Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and their independence from the management.



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Provided that in the above evaluations, the directors who are subject to evaluation shall not participate.

**4. Review of the Implementation of this policy:**

The Committee shall review the implementation and compliance of this policy at least once a year.

**POLICY FOR REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL SENIOR MANAGEMENT AND OTHER EMPLOYEES:-**

- 1.** The remuneration of the Directors, Key Managerial Personnel, Senior Management and Other employees must be in accordance with the provisions of Companies Act, 2013 and the Rules made there under and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per other applicable provisions as amended from time to time.
- 2.** The committee must ensure that:
  - a.** The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and key managerial personnel of the quality required to run the company successfully.
  - b.** The committee must also ensure that the remuneration of all directors, key managerial personnel, senior management and other employees is at par with their performance, qualifications, experience and capabilities. The remuneration must be fair enough to motivate and retain the competent employees of the Company.
  - c.** Remuneration to directors, key managerial personnel 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.

**POLICY REVIEW**

The Policy is subject to review by Nomination and Remuneration Committee when deemed necessary and any amendment carried out to this policy shall be approved by the Board of the Directors of the Company. Further, all the provisions as mentioned under this policy are subject to any amendments or modification made in the applicable rules and regulations from time to time.

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