

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED NOMINATION AND REMUNERATION COMMITTEE CHARTER (Effective from 02.02.2023)

1. Introduction

The “Nomination and Remuneration Committee” (the ‘NRC’/ ‘Committee’) has been formed by the Board of Directors (‘Board’) of Crompton Greaves Consumer Electricals Limited (the ‘Company’) as part of good corporate governance, and which is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 (the ‘Act’) and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the ‘SEBI Listing Regulations’).

2. Objectives & Scope

The NRC is a committee of the Board and shall support the Board in the following areas:

- a) Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company;
- b) Devising a policy on Board Diversity, if required;
- c) Formulate criteria for determining qualifications, attributes and Independence of a Director;
- d) Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- e) Formulate the criteria for evaluating the performance of the Independent Directors/ Board of Directors;
- f) Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel (‘KMP’) and Senior Management employees;
- g) Identifying individuals for appointment as KMP and who may be appointed in senior management, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and / or parent company in this regard;
- h) Specify the manner for effective evaluation of performance of Board, its committees, individual Directors and review its implementation and compliance;
- i) Review the performance evaluation of the Directors and KMP;
- j) Administration of the Employee Stock Option Schemes (ESOS);
- k) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- l) For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

3. Powers

The Committee is empowered to obtain relevant information and assistance from the Company and from any external consultancy agencies, as it may deem fit.

4. Composition

The Committee shall comprise of minimum three Directors, with at least two-third being Independent Directors. The members of the Committee shall be Non-Executive Directors. The Chairperson of NRC shall be an Independent Director.

5. Appointment of Members and Chairperson

The Chairperson of the nomination and remuneration committee shall be an independent director. The Chairman of the Board shall not be the Chairperson of NRC.

Subject to Clause 4 above, the Board shall appoint the members and the Chairperson of the Committee and they will remain in office until their retirement / resignation / removal from the Board or their resignation from the Committee or till the Board decides to change the composition of the Committee.

In the event of the Chairperson being absent from a meeting, the Committee shall elect from among the Independent Directors present, a member to chair that particular meeting.

The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

6. Compensation of the Committee Members

The Board of Directors shall determine the compensation to be paid to the members of the Committee and its Chairperson.

7. Meetings

7.1 Period of meetings

The Committee shall meet as often as it considers necessary but at least once in a year. The Chairperson/ Company Secretary/ Managing Director/ Chief Executive Officer shall be empowered to call a meeting, as and when a need arises.

7.2 Permanent Invitees

The Managing Director & CEO shall be a permanent invitee to the meetings of the Committee. In the event, the agenda of a Committee meeting includes an item in which the MD & CEO is interested, he/she shall recuse himself/herself when such item is taken up for business.

The Chairman may invite any person from among the Board/ senior management to attend the meeting.

7.3 Secretary

The Company Secretary will act as Secretary to the Committee.

7.4 Agenda

The agenda for the meeting of the Committee shall be prepared by the Secretary in consultation with the Chairman of the Committee and shall be generally sent at least seven days before the date of the meeting.

7.5 Minutes

The minutes of the meeting shall be recorded by the Secretary. The draft minutes shall be circulated to the members and to the Chairman of the Committee for approval within fifteen days from the date of the meeting or as required by law, whichever is earlier.

The minutes duly approved and signed by the Chairman of the Committee shall be circulated to the Members of the Committee for their comments, approval and will be noted by the Board of Directors at their subsequent meeting.

7.6 Quorum

The quorum for the meeting of the Committee shall be one-third of its members or two members, whichever is greater, including at least one Independent Director.

If a meeting of the Committee cannot be held for want of a quorum, then the meeting shall stand adjourned to such day, time and place as the members present at the meeting may decide.

7.7 Voting

All decisions will be taken by a majority vote without the Chairman having a second or casting vote.

8. Duties & Responsibilities

8.1 Succession Planning of the Board of Directors / Key Managerial Personnel / Senior Management

- a. The Committee shall review the succession plan with respect to the members of the Board of Directors, KMP and Senior Management.
- b. Candidates for appointment for the position of Directors and KMP, may be proposed by the MD & CEO.
- c. Details of the candidates being proposed shall be provided to the Committee Members along with the Agenda papers.
- d. The suggestions/feedback of NRC and the Chairman of the Committee with respect to a candidate shall be given due consideration before the candidature of such person is considered.

8.2 Criteria of selection of Directors / KMP/ Senior Management

- a. Whilst identifying candidates for appointment as Independent Directors the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for an independent director. The Committee shall identify

persons of integrity who possess relevant expertise, experience, and capabilities identified in the description and recommend for the approval to the Board.

- b. In case of appointment of Independent Directors, the Company shall satisfy itself in regard to the Independent nature of the Directors so as to enable the Board to discharge its function and duties effectively.
- c. For appointment of any other Director(s), the Committee shall identify persons possessing requisite capabilities in accordance with the criteria laid down and recommend their appointment to the Board of Directors.
- d. For the purpose of selection of the MD & CEO, the Committee shall identify persons of integrity who possess relevant expertise and experience required for the position.
- e. In case of appointment of other KMP, the Committee shall consider the recommendations of the MD & CEO.

8.3 Reappointment of Directors

The Committee shall review the reappointment of the Independent Directors before the end of their tenure of appointment based on their contribution to the Board on the basis of the report of performance evaluation of independent Directors;

8.4 Review of the Performance of the Board of Directors / Key Managerial Personnel / Senior Management

- a. The Committee shall support the Board of Directors in evaluating the performance of all the Directors (i.e. Independent and Non Independent Directors) and in the annual self-assessment of the Board's overall performance.
- b. The Committee shall conduct the annual performance review of the MD & CEO.
- c. The Committee may annually review the performance of other Key Managerial Personnel and Senior Management employees on the basis of recommendations of the Management.

8.5 Review of compensation of members of the Board of Directors

The Committee shall recommend to the Board of Directors the compensation of each member of the Board of Directors, its committees (except this Committee) and Chairman thereof.

8.6 Remuneration criteria for the Board, KMP and Senior Management

The Committee shall recommend to the Board of Directors remuneration payable to KMP & Senior Management.

While determining the remuneration, the Committee shall in addition to the criteria laid down under the Act, ensure that:

For Directors (other than MD and ED)

The remuneration is commensurate with:

- a. Their overall engagement with the Company;
- b. Financial performance of the Company and
- c. Industry practice

For Key Managerial Personnel & Senior Management

- a. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- b. 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.

Any recommendations made in respect of the remuneration of KMP and Senior Management (other than the MD & CEO), by the MD & CEO (based on performance benchmarks, evaluation and balance of fixed and variable pay) may be considered by the Committee.

8.7 Employee Stock Option Scheme

The Committee shall administer and monitor the Employee Stock Option Schemes (the Schemes), if any, when introduced by the Company for its employees and is empowered to settle any dispute or remove any difficulty that may arise with respect to the interpretation and implementation of the schemes.

8.8 General

The Committee shall also perform the following tasks:

- Periodic review and amendment of the Committee Charter;
- Annual self-assessment of the Committee's performance;
- Performance of such duties as may be assigned to it by the Board of Directors or as may be required under any applicable law or regulation
- The role, responsibilities and powers of the Committee shall include matters set out in this charter and such other items as may be prescribed by applicable laws as amended from time to time or by the Board in compliance with applicable laws.

The adequacy of this Charter shall be reviewed and reassessed periodically and the Board reserves its right to amend or modify this Charter in whole or in part based on the changes that may be brought about due to any regulatory amendments or otherwise. In the event of any conflict between the provisions of this Charter and of the SEBI Listing Regulations, the Act or any other statutory enactments, rules, then the provisions of the SEBI Listing Regulations / Act or statutory enactments, rules shall prevail over this Charter.

Any terms of reference of this charter covered in the Act/SEBI Listing Regulations but not covered above, if any, or any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the charter, shall automatically apply to this charter and the relevant terms of this charter shall be deemed to be modified and/or amended to that extent, even if not incorporated in this charter.

P. M. Murty

H. M. Nerurkar

**Sd/-
Chairman of the Committee**

**Sd/-
Chairman of the Board**