

USHA INTERNATIONAL LIMITED

NOMINATION & REMUNERATION POLICY

Objective

The Nomination and Remuneration Committee and this policy are in Compliance with the Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The key objective of the policy is:

- a) To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel.
- d) To provide to Key Managerial Personnel and Senior Management bonus linked directly to their efforts, performance, dedication and achievement relating to Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.

Policy for appointment, remuneration and removal of Directors, Key Managerial Personnel and Senior Management

1. Directors -

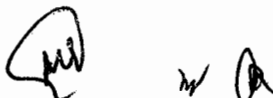
1.1 Appointment criteria and Qualification for Whole Time Director/Independent Directors

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Whole Time Directors and Independent Directors and recommend to the Board for approval.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
3. The Company shall not appoint or continue the employment of any person as a Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indication the justification for extension of appointment beyond seventy years.

1.2 Term/Tenure

A. Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman 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 a term.

B. 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 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.

1.3 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director subject to the provisions and compliance of the said Act, rules and regulation.

1.4 Remuneration

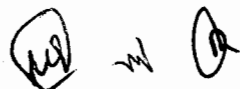
A. Whole Time Directors

a) Fixed pay:

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Perquisites – in the form of house rent allowance/accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel etc.

c) Retirement Benefits – contribution to PF, superannuation, gratuity etc as per the Company's rules.

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d) Bonus/Increment – A performance appraisal is carried out and bonus/increments shall be decided by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

e) Sitting fees – no sitting fees shall be payable to the Whole Time Directors of the Company.

f) 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 Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

g) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act 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.

B. Remuneration to Non – Executive and Independent Directors

1. Sitting fees:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof as approved by the Board. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

2. Commission:

Commission may be paid within the monetary limit as recommended by the Board and approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

2. Key Managerial Personnel (KMP) and Senior Management -

(A) Appointment of KMP and Senior Management:

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Appointment and removal of KMP and Senior Management are subject to the approval of the Nomination and Remuneration Committee and the Board of Directors.

Further, for the removal of KMP, the Committee shall recommend to the Board with reasons recorded in writing.

(B) Remuneration of KMP and Senior Management:

(a) KMP: The remuneration of KMP shall be subject to the approval of the Nomination and Remuneration Committee and the Board of Directors.

(b) Senior Management: The remuneration of the Senior Management shall be decided by the Executive Chairman.

The Remuneration of the KMP and Senior Management shall be based on the objectives and parameters defined in this policy. Total remuneration of the KMP and Senior Management shall comprise of the following elements:

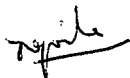
1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company's goals.
2. Perquisites - in the form of house rent allowance/accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. Retirement benefits - contribution to PF, superannuation, gratuity, etc as per Company's Rules.
4. Bonus - A performance appraisal is carried out annually and bonus/promotions/ increments shall be decided by Executive Chairman.

Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors including Whole Time Directors (WTDs) and Independent Directors (IDs), Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

For and on behalf of the Board of Directors
Usha International Limited



N.K. GOILA
DIRECTOR

