

NOMINATION & REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Part D of the Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Objective:

The objective of the policy is to ensure that:

- a) 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;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

Role of the Committee:

The role of the NRC will be the following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of the Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- d) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- e) To devise a policy on Board diversity, composition, size.
- f) Succession planning for replacing Key Executives and overseeing.
- g) 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.

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Appointment and Removal of Director, Key Managerial Personnel and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess the adequate qualifications, expertise and experience for the position he/she is considered for appointment. The Committee has the authority to decide whether qualifications, expertise and experience possessed by a person are sufficient/satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director / Managing 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.

TERM / TENURE

a) Director

The Committee shall screen, review and recommend the appointment of Directors based on their qualifications, experience, skill and knowledge to guide the Company.

b) Managing Director:

The Company shall appoint or re-appoint its Managing Director or CEO for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

c) 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 of up to a maximum of 5 years each, but such Independent Director shall be eligible for appointment after 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.

It has to be ensured that such Independent Director shall not serve as an independent director in more than seven listed entities. Any person who is serving as a Whole Time Director / Managing Director in any listed entity shall serve as an independent director in not more than three listed entities.

EVALUATION

The Committee shall carry out evaluation as per Policy

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act 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.

REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

a) The remuneration of the Managing Director is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing Director. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1, every year.

b) A sitting fee of Rs. 10,000/- for attendance at each meeting of the Board, Audit Committee, Nominations and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee is paid to its Members (excluding Managing Director and Promoter Directors). The sitting fees paid/payable to the non-Executive Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 198 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.

c) Remuneration by way of commission to the Non-Executive Directors is decided by the Nominations and Remuneration Committee and distributed to them based on their participation and contribution at Board/certain Committee meetings as well as time spent on matters other than at meetings.

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d) Remuneration of Senior Management employees (including Business Heads, Key Managerial Personnel) largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee levels and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him/her, his/her performances, etc.

POLICY EFFECTIVE DATE

This Policy comes into effect from December, 01, 2015 and the Amendment to this policy has been effected from April 01, 2019.

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