



## Nomination and Remuneration Policy

### **1. PREAMBLE**

The Nomination and Remuneration Policy of Paramount Communications Limited (hereinafter referred to as “**the Company**”) is designed to attract, motivate and retain talent by offering an appropriate remuneration package and also by way of providing a congenial & healthy work environment.

This Nomination and Remuneration Policy (hereinafter referred to as “**the Policy**”) applies to Directors, Senior Management including the Key Managerial Personnel (KMP) and other employees of the Company.

### **2. PRINCIPLES**

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “Act”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”).

### **3. APPLICABILITY**

The Policy shall guide the remuneration of Directors, Senior Management including Key Managerial Personnel and other employees of the Company.

### **4. DEFINITIONS**

- a. “**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. “**Board**” means Board of Directors of the Company.
- c. “**Company**” means Paramount Communications Limited.

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- d. “**Independent Director**” means a director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations.

- e. **“Key Managerial Personnel” (KMP)** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. (As per Section 203 of the Companies Act, 2013, the following are whole time Key Managerial Personnel:
  - i. Chief Executive Officer or the Managing Director or the Manager;
  - ii. Company Secretary;
  - iii. Whole Time Director;
  - iv. Chief Financial Officer; and
  - v. Such other officer as may be prescribed.
  
- f. **“Nomination and Remuneration Committee (NRC)”** means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 19 of the Listing Regulations.
  
- g. **“Other Employees”** mean all employees other than the Directors, KMPs and the Senior Management.
  
- h. **“Policy or This Policy”** means “Nomination and Remuneration Policy”.
  
- i. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and perquisites as defined under the Income Tax Act, 1961.
  
- j. **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors including functional heads.

## 5. OBJECTIVE AND PURPOSE OF POLICY

In line with the requirements of the listing regulations and the Companies Act, 2013, the objectives and purpose of the policy are as under:

- 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:

## **6. ROLE OF THE COMMITTEE**

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b) 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. For the purpose of identifying suitable candidates, the Committee may use the service of an external agencies, consider candidates from a wide range of backgrounds, having due regard to diversity and consider the time commitments of the candidate.
- c) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) devising a policy on diversity of board of directors;
- e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- f) 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.
- g) recommend to the board, all remuneration, in whatever form, payable to senior management.
- h) Perform such other functions as may be necessary or appropriate for the performance of its duties.

## **7. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL**

Every person considered for employment by the Company at Senior Management shall fulfill the following criteria:

- a. He/she should be a person of integrity;
- b. The person should possess adequate qualification, positive attributes, expertise and experience commensurate with the position he/she is being considered for appointment. The Nomination and Remuneration Committee (NRC) shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
- c. The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for 6 months or more during last 5 years or imprisonment for 7 years or more at any point in time.
- d. The person should possess all requisite qualifications (wherever applicable) as may be prescribed under any law, rules, regulations and listing agreement with the stock

exchanges.

- Every person proposed to be appointed as Director or Managing Director or Whole Time Director shall fulfill the following criteria:
- He/she should be person of integrity;
  - The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business of the Company. NRC shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
  - The person should not have been disqualified to be a director as per the provisions of the Companies Act, 2013 & Rules made there under and any other law(s) & regulation for the time being in force.
  - In case of appointment as Independent Director, the person shall also fulfill the criteria of independence prescribed under the Companies Act, 2013 & Rules made there under, and the listing Regulations with the stock exchanges.

## **8. TERM/TENURE**

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### **a) Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director 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 term.

### **b) Independent Director**

i) 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.

ii) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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.

iii) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

iv) The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

## **9. REMUNERATION STRUCTURE**

### **9a. Remuneration of Non-Executive/Independent Directors**

#### **i) SITTING FEES**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount, per meeting of the Board or Committee or such amount as may be prescribed under Companies Act, 2013. The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

#### **ii) LIMIT OF REMUNERATION / COMMISSION**

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limits of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### **iii) STOCK OPTIONS**

An Independent Director shall not be entitled to any stock option of the Company.

#### **iv) MINIMUM REMUNERATION**

In case, the Company has no profits, or its profits are inadequate, the Company shall pay remuneration to its Non-Executive/Independent Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

### **9b. Remuneration to KMP and Senior Management**

#### **i) Fixed Pay**

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders.

#### **ii) Minimum Remuneration**

In case, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013.

**iii) Provisions for Excess Remuneration**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without approval required under the Act, where required, he / she shall refund such sums to the Company, within two years or such lesser period as may be allowed by 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 approved by the Company by special resolution within two years from the date the sum becomes refundable.

**9c. Remuneration to Other employees**

The compensation for other employees would be as per the compensation policy of the Company, as revised from time to time and approved by the Chief Executive Officer, in consultation with the Head- HR

**10. DISCLOSURE**

The Company shall disclose the Policy on Nomination and Remuneration on its website and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's report.

**11. AMENDMENT**

This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges. In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.