



CHARTER OF NOMINATION AND REMUNERATION COMMITTEE

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NOMINATION AND REMUNERATION COMMITTEE CHARTER

Pursuant to Section 178 of the Companies Act, 2013, and Regulation 19(4) and Part D of Schedule II (3 of) of the SEBI (Listing Obligations and Disclosure Requirements) (Hereinafter called as "LODR") the Board of Directors of the company have constituted a Nomination and Remuneration Committee. This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Nomination and Remuneration Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Dodla Dairy Limited ("**DODLA**" or "**the Company**").

1. DEFINITIONS:

- a) "Act" means the Companies Act, 2013 and rules made there under, as amended from time to time
- b) Board means the Board of Directors of the Company
- c) Directors mean Directors of the Company
- d) Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time
- e) Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f) Key Managerial Personnel (KMP) means:
 - i. Executive Chairman and / or Managing Director;
 - ii. Whole-time Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary;
 - v. Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- g) "SEBI Regulations" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.
- h) Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or General Manager including Senior Manager of any unit / division of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

2. OBJECTIVE AND PURPOSE OF THE POLICY

The objective and purpose of this policy is:

- a) Reviewing the structure, size and composition of the Board, and making recommendations to the Board with regards to changes, if any;



- b) To lay down criteria and terms and conditions with regards to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration and recommending to the Board their appointment and removal
- c) Recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. Few areas which needs to be considered while formulating the policy:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the company successfully
 - ii. Clear relationship of remuneration to performance and meets appropriate performance benchmarks
 - iii. The remuneration of 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
 - iv. A significant proportion of executive Directors' remuneration is structured so as to link rewards to corporate and individual performance
 - v. Taking into account factors it deems relevant and gives due regard to the interests of shareholders and to the financial and commercial health of the Company
- d) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- e) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- f) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
- g) Considering succession planning taking into account the challenges and opportunities facing the Company, and what skills and expertise are needed from members of the Board in the future
- h) Overseeing the Company's share option schemes and long-term incentive plans, which include determination of the eligibility for benefits and approval of total annual payments
- i) In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

3. COMPOSITION OF THE COMMITTEE

The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement:

- a) Minimum two (2) members shall constitute a quorum for the Committee meeting;
- b) Membership of the Committee shall be disclosed in the Annual Report;
- c) Term of the Committee shall be continued unless terminated by the Board of Directors.



4. Chairman of the Committee

- a) Chairman of the Committee shall be an Independent Director;
- b) Chairman of the Company may be appointed as a member of the Committee but shall not Chair the Committee;
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
- d) Chairman of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

5. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such regular intervals as may be required.

6. Minutes of the Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

7. DUTIES & RESPONSIBILITIES

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. This policy is divided into 3 parts as follows: -

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- c) Recommend to the Board, appointment and removal of Director, KMP.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- b) The candidate for a position at KMP or Senior Management level is met by the Managing Director / Head – HR and the interview is targeted at assessing the candidate on his/her functional and leadership capabilities and cultural fitment to the organization. The Managing Director / Head --- HR ensures that the person possess adequate qualification, expertise and experience for the position he / she is considered for appointment.



- c) The selected candidate's details and the proposed compensation is shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting.

Term / Tenure:

- a) The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013.
- b) The tenure for other KMP and Senior Management Personnel will be governed by Dodla Dairy HR Policy.

Evaluation:

- a) The Managing Director perform the evaluation of performance of KMP and Senior Management Personnel at regular intervals.
- b) The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard.

Removal:

- a) Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, 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 regulations.
- b) For other KMP or Senior Management Personnel the removal will be governed by Dodla Dairy HR Policy and the subsequent approval of the Managing Director.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Managing Director 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.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

Evaluation Process:

- a) The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors and for other KMP and Senior Management Personnel the metrics shall be determined by the Managing Director.
- b) A holistic view of the ratings will be reviewed by the Board in relation to Directors and for KMP and Senior Management Personnel be reviewed by the Managing Director. The Managing Director does a qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors to arrive at the Final Rating.



- c) The revision in the total remuneration is directly linked to the Final Rating for all employees.
- d) The remuneration / compensation / commission etc., to the Whole Time Director, KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for its review.
- e) The ESOP's to the Whole Time Director, KMP and Senior Management Personnel will be determined by the Managing Director as per the ESOP Schemes of the Company and recommended to the Committee and the Board for approval in the subsequent board meeting.
- f) The remuneration/compensation/commission etc. to the Directors shall be subject to the prior / post approval of the Shareholders of the Company and Central Government wherever required.
- g) The remuneration and commission to be paid to Whole Time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provision of the Companies Act, 2013 and the rules made thereunder.
- h) Increments to the existing Remuneration /compensation structure may be recommended by the Managing Director to the Committee and the Board which should be within the slabs approved by the Shareholders in the case of Whole time Director.
- i) Where any insurance is taken by the Company on behalf of its Whole-Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such Insurance shall be treated as part of the remuneration.
- j) An Independent Director shall not be entitled to any stock option of the Company.

REVIEW OF CHARTER

The Committee will review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration as and when required.

Date: 13 July 2018

Place: Hyderabad

Approved by: Board of Directors