

CARBON SPECIALITIES LIMITED

CIN: L65929UP1985PLC111401

REGD OFF: 53/10, NAYA GANJ, KANPUR-208001(U.P.)

Email: carbonspecialities85@gmail.com Contact: 0512-2331985 Website: <http://carbon.net.in/>

CARBON SPECIALITIES LIMITED

NOMINATION & REMUNERATION POLICY (Effective from 12th November, 2020)

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INTRODUCTION

It is the endeavor of Carbon Specialties Limited (“Company”) that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible. In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all the Directors, Key Managerial Personnel, Senior Managerial Personnel and other Employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, (“Act”) and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 (“LODR”), this policy has been approved by the Board of Directors on the recommendation of the Nomination & Remuneration Committee.

CONSTITUTION OF COMMITTEE:

The Board of Directors of the Company (“the Board”) shall constitute a Committee to be known as the Nomination & Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of the Committee shall be an Independent Director. However, the Chairperson of the Company (whether executive or non- executive) may be appointed as a member of the Nomination & Remuneration Committee but shall not chair such Committee.

3. OBJECTIVE:

The objective of this policy is to lay down a framework in relation to remuneration of the Directors, KMP, Senior Management Personnel and other Employees. The key objectives and purposes of the Policy inter alia are:-

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy/ framework relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel, and other employees.
- b) To provide guidance to the Board and the Committee in relation to appointment/ removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- (c) Formulating the criteria for evaluation of performance of Chairperson, independent directors, non-Independent Directors and the Board of Directors as a whole.
- d) To devise a policy on diversity of board of directors and to build a Succession Plan for appointment to the Board of Directors, KMPs and Senior Management Personnel.

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e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

4. APPLICABILITY

This Policy shall apply to:

- (a) Directors (Executive and Non-Executive);
- (b) Key Managerial Personnel;
- (c) Senior Management Personnel and
- (d) Other Employees;

5. APPOINTMENT CRITERIA & QUALIFICATIONS

5.1 The Committee shall identify and ascertain the integrity, behavior pattern, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board for such appointment.

5.2 The Company shall not appoint or continue the employment of any person as Whole- time Director or 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years only on the basis of recommendation of the Committee.

5.3 An Independent Director should comply with the eligibility criteria stipulated in the Articles of Association of the Company, Section 164 & 149(6) of the Act including its rules thereto and LODR. An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; shall not have any conflict of interest, act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

5.4 For the appointment of Senior Managerial Personnel and KMPs (other than Managing Director / Whole time Director), a person should possess adequate qualification, expertise and experience for the position that person is considered for the appointment. The Committee has

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discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

5.5 A whole time KMP of the Company shall not hold office in more than one Company except in its subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company, -with the permission of the Board of Directors of the Company.

6. EVALUATION OF PERFORMANCE

A) The Committee shall carry out evaluation of performance of every Director and of the Board of Directors as a whole at regular interval (yearly).

B) The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agreed upon. The Committee shall also carry out evaluation of performance of every Director with a view to increase effectiveness as a governing body as well as participation of the Directors on the Board or Committee of the Board's proceedings.

C) The Committee shall time to time determine a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may seek the support and guidance of external experts and agencies for this purpose, if required.

7. REVIEW & AMENDMENT:

a) The Board of Directors on its own and/ or as per the recommendations of Nomination & Remuneration committee can amend this policy, as and when deem fit.

b) In case of any amendments, clarifications, circulars etc. issued by the relevant authorities shall prevail upon the provisions thereunder and this policy shall stand amended accordingly.