

NEW DELHI TELEVISION LIMITED

Nomination and Remuneration Policy

1. OBJECTIVE

The Nomination and Remuneration Policy (“**Policy**”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”). The key objectives of the Policy are:

- (a) To guide the Board on the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To provide a report evaluating the performance of the members of the Board.
- (c) To recommend to the Board the remuneration for Directors, Key Managerial Personnel and Senior Management.
- (d) To recommend bonuses and other special compensation for Key Managerial Personnel and Senior Management based on their effort and performance, as and when applicable, and contingent upon the Company’s financial performance.
- (e) To devise a policy that ensures diversity within the Board to provide experienced leadership based on the skills in different fields.
- (f) To develop plans to attract and retain talent that can help the Company grow.

2. 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 New Delhi Television Limited.
- (d) ‘**Directors**’ means directors of the Company.
- (e) ‘**Independent Director**’ means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- (f) ‘**Key Managerial Personnel**’ means

- (i) Chief Executive Officer or Managing Director or Manager;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary; and
 - (v) Any other person as defined under the Companies Act, 2013.
- (g) **‘Senior Management’** means personnel of the Company who are members of its core management team excluding the Board of Directors. This includes all members of management one level below the Whole-time Directors, including all Heads of Departments (HODs).

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

3. ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- (a) Determine the qualifications, experience, expertise and independence of a Director.
- (b) Help identify persons who are qualified to serve as Directors and persons who may be appointed in Key Managerial and Senior Management positions when required.
- (c) Recommend to the Board the appointment and removal of a Director, KMPs and Senior Management personnel.

3.2 Policy for appointment and removal of Directors, KMPs and Senior Management

- (a) **Appointment criteria and qualifications**
 - (i) 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 to the Board his / her appointment.
 - (ii) The candidate must have the qualification, expertise and experience for the position he / she is being considered for. The Committee has the discretion to decide whether the

qualifications, expertise and experience of a person are sufficient / satisfactory for the concerned position. However, the Board's decision will be final.

- (iii) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on an explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(b) **Term / Tenure**

(i) **Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairperson/Co-Chairperson, 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.

(ii) **Independent Director**

An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the passing of a Special Resolution by the members of the Company and the 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. At the time of the appointment of an Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to applicable regulations in force.

(c) **Evaluation**

The Committee evaluates the performance of every Director, KMP and Senior Management personnel every year.

(d) **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, the removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the said Act, rules and regulations.

(e) **Retirement**

The Directors, KMPs and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board or the Founders and the CEO will have the discretion to retain senior executives or employees in the same position/ remuneration or otherwise even after attaining the retirement age if deemed in the best interest of the Company, subject to compliance with such other laws, rules and regulations as may be applicable.

3.3 Policy on Remuneration of Whole-time Directors, KMPs and Senior Management personnel

- (a) The remuneration / compensation / commission, etc. of Whole-time Directors, KMPs and Senior Management personnel will be determined by the Committee and recommended to the Board for approval.
- (b) The remuneration and commission paid to the Whole-time Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- (c) The remuneration and commission, if any, for Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the Act.
- (d) Increments may be recommended by the Committee to the Board which should be within the limits approved by shareholders in the case of Whole-time Directors.
- (e) Where any insurance is taken by the Company on behalf of its Whole-time Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary, and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any personnel. If such person is proved guilty of an offence based on either laws or the Company's policies, the premium paid for the insurance shall be treated as part of their remuneration.

3.4 Remuneration to Whole-time / Executive / Managing Director, KMPs and Senior Management personnel

(a) **Fixed Pay**

Whole-time Directors/ KMPs and Senior Management personnel shall be eligible for a monthly remuneration as approved by the Board on the recommendation of the Committee. The breakup of their salary and the quantum of perquisites including employer's contribution to P.F, pension schemes, medical expenses, etc. shall be decided by the Board/ the Person authorized by the Board, based on the recommendation of the Committee, and with the approval of shareholders and the Central Government wherever required.

(b) **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 Directors/Managing Director in accordance with the provisions of Schedule V of the Act.

(c) **Provisions for excess remuneration**

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration, any amount in excess of the limits prescribed by the Act or without necessary approvals, where required, he / she shall refund such amount to the Company and, until such amount is refunded, hold it in trust for the Company. The Company shall not waive the recovery of such amount refundable to it unless necessary approvals are obtained under the Act or the Listing Regulations.

3.5 Remuneration to Non-Executive / Independent Directors

(a) **Remuneration**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board. It is revised from time to time, depending on the individual contribution, the Company's performance, and the provisions of the Act.

(b) **Sitting Fees**

The Non-Executive / Independent Directors may receive remuneration by way of fees for attending meetings of the Board or a Committee thereof. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee, or such amount as may be prescribed under the Act.

(c) **Commission:**

Any commission paid must be within the limit approved by shareholders and cannot exceed 1% of the profits of the Company computed per the applicable provisions of the Act.

(d) **Stock Options:**

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

4. COMPOSITION OF THE COMMITTEE

- (a) The Committee shall consist of a minimum of three Non-Executive Directors, the majority of them being Independent.

- (b) The quorum for a Committee meeting is two members.
- (c) The membership of the Committee shall be disclosed in the Annual Report.
- (d) The term of the Committee shall continue, unless terminated by the Board of Directors.

5. CHAIRPERSON

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

6. FREQUENCY OF MEETINGS

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

7. COMMITTEE MEMBERS' INTERESTS

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives as it considers appropriate to the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as the Secretary of the Committee.

9. VOTING

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of the members present and voting and any such decision shall for all purposes be deemed as a decision of the Committee.
- (b) In the case of a hung vote, the Chairperson of the meeting will have the deciding vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- (a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness.
- (b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act.
- (c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (d) Determining the appropriate size, diversity and composition of the Board.
- (e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- (f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.
- (g) Evaluating the performance of Board members and Senior Management in the context of the Company's performance.
- (h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provisions of the law and their service contract.
- (i) Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- (j) Recommending any necessary changes to the Board.
- (k) Considering any other matters as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- (a) To consider and determine a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management. It shall ensure this policy which will set the remuneration for all elements of compensation of the Board will attract and retain an experienced and knowledgeable Board.

- (b) To approve the remuneration of Senior Management including Key Managerial Personnel of the Company and maintaining a balance between their fixed and incentive pay, reflecting the short and long-term performance objectives of the Company.
- (c) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- (d) For every appointment of an independent director, the Nomination and Remuneration Committee shall 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. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agency, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- (e) To consider any other matters as may be requested by the Board.
- (f) Professional indemnity and liability insurance for Directors and Senior Management.

12. MINUTES OF COMMITTEE MEETINGS

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of Committee meetings will be tabled at the subsequent Board and Committee meeting.
