

JARDINE HENDERSON LIMITED



CIN: L51909WB1947PLC14515

Regd. Office: 4, Dr. Rajendra Prasad Sarani (Clive Row)

Kolkata: 700 001

E-mail: jardines.companysecretary@gmail.com

POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS

1. INTRODUCTION

1.1 In terms of Section 178 of the Companies Act, 2013, rules made there under and the Listing Agreement, entered into by the Company with Stock Exchanges in India, as amended from time to time, the Committee has formulated this policy on appointment and removal of Directors. The Policy has been adopted by the Nomination and Remuneration Committee ("NRC") vide its resolution dated July 26, 2015 and approved by the Board of Directors vide its resolution dated November 05, 2015.

1.2 This policy shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to the appointment and removal of Directors.

2. OBJECTIVE OF THE POLICY

2.1. To lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence and who may be appointed as the Senior Management of the Company.

3. APPOINTMENT OF DIRECTORS

This Policy enumerates guidelines to be used by NRC in selecting/appointing/re-appointing and removal of a Director:

- 3.1. Assess skill-sets the Board needs given the strategies, challenges faced by the Company.
- 3.2. In selecting individuals for appointment/re-appointment/removal of directors, the NRC may refer to the following guidelines/policies:
 - 3.2.1. Board Membership Criteria (Refer Schedule A)
 - 3.2.2. Board Diversity Policy (Refer Schedule B)
 - 3.2.3. Criteria for determining independence of directors (in case of appointment of Independent Directors (Refer Schedule C)
- 3.3. NRC members (either jointly/individually, as delegated) shall meet the potential candidate and assess his/her suitability for the role.
- 3.4. NRC to recommend the appointment of shortlisted candidate to the Board for its consideration.

3.5. Emergency Succession: If position of a Director suddenly becomes vacant by reason of death or other unanticipated occurrence, the NRC shall convene a special meeting at the earliest opportunity to fill such vacancy.

4. **POLICY IMPLEMENTATION**

4.1. The Committee is responsible for recommending this Policy to the Board.

4.2. The Board is responsible for approving and overseeing implementation of this Policy (with the support of the Committee)

5. **REVIEW OF THE POLICY**

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. **APPLICABILITY TO SUBSIDIARY / ASSOCIATE /JOINT VENTURE COMPANIES**

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the Board of Directors of the respective companies.

7. **COMPLIANCE RESPONSIBILITY**

Compliance of this policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

Schedule - A

BOARD MEMBERSHIP CRITERIA

The NRC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the company operates and especially in the Directors particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders' interests through the exercise of sound judgement, using its diversity of experience.

In determining whether to recommend a Director for re-election, the Committee also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at the Company.

Schedule - B **BOARD DIVERSITY POLICY**

1. PURPOSE

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 ("Act") and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Listing Agreement.

The NRC has framed this policy to set out the approach to diversity on the Board of the Company ("Policy").

2. SCOPE

This Policy is applicable to the Board of the Company.

3. POLICY STATEMENT

The Company recognizes the importance of diversity in its success. It is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and belonging to different race and gender will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new Directors to the Board. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, race, gender and other diversity of the Board.

4. MONITORING AND REPORTING

The Committee will report annually, in the corporate governance section of the Annual Report of the Company, the process it employed in Board appointments, if required by the law. The report will include summary of this Policy including purpose and the progress made in achieving the same.

5. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. APPLICABILITY TO SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

This Policy may be adopted by the Company's subsidiaries/ Associates and Joint Ventures, if any, subject to suitable modifications and approval of the Board of Directors of the respective companies.

7. COMPLIANCE RESPONSIBILITY

Compliance of this policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The philosophy for remuneration of Directors, Key Managerial Personnel ("KMP") and all other employees of Jardine Henderson Limited (the Company) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which 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.

Key principles governing this remuneration policy are as follows:

1. Remuneration for independent directors and non-independent nonexecutive directors

- 1.1 Overall remuneration should be reflective of the size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- 1.2 Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.
- 1.3 Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- 1.4 Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- 1.5 Overall remuneration practices should be consistent with recognized best practices.
- 1.6 The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board, based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- 1.7 The NRC will recommend to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- 1.8 In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

2. Remuneration for Managing Director ("MD")/ Executive Directors ("EDs")/ KMP/ rest of the employees

- 2.1 The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

- a) Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent);
- b) Driven by the role played by the individuals;
- c) Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay;
- d) Consistent with recognized best practices and;
- e) Aligned to any regulatory requirements.
- f) In terms of remuneration mix or composition,
- g) The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- h) Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- i) In addition to the basic/ fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- j) The Company provides retirement benefits as applicable.
- k) In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- l) The Company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.
- m) The Company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.

n) Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

- The services rendered are of a professional nature; and
- The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

o) Premium on Insurance Policy

- Where any insurance is taken by the Company on behalf of the Company's NEDs, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.
- KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

p) Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

q) Review of the Policy

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

r) Applicability to subsidiaries, associates and joint venture companies

This policy may be adopted by the Company's subsidiaries, associates and joint venture companies, if any, subject to suitable modifications and approval of the board of directors of the respective companies.

s) Compliance Responsibility

Compliance of this policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarification from the management in this regard.
