

NOMINATION AND REMUNERATION & COMPENSATION POLICY

1. Introduction

This Nomination and Remuneration & Compensation Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration and Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. Definitions

“Remuneration” Means:

Any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” Means:

- a. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director
- b. Chief Financial Officer
- c. Company Secretary
- d. such other officer as may be prescribed.

“Senior Management” Means:

Bloom Industries employees who are members of core management team excluding board of directors and shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Wholetime Director / Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

3. Objective

The objective of the policy is to ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivatedirectors of the quality required to run the company successfully.
- b. Relationship of remuneration to performance is clear and meets appropriate performance

benchmarks.

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.

4. Role of the committee

The role of the Nomination Remuneration and Compensation Committee is:

- a. To formulate criteria for determining qualifications, positive attributes and independence of a Director
- b. To formulate criteria for evaluation of Independent Directors and the Board
- c. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d. To recommend to the Board the appointment and removal of Directors and Senior Management
- e. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management
- f. To devise a policy on Board diversity, composition, size
- g. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- h. To perform such other functions as may be necessary or appropriate for the performance of its duties

5. Appointment and removal of director, key managerial personnel and senior management

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend his / her appointment, as per Company's HR Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c. 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 beyond the age of seventy years with the approval of shareholders by passing a special resolution.

6. Term/tenure

1. 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.

2. Independent Director:

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.

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.

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 or such other number as may be prescribed under the Act.

7. Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

8. Retirement

The Director, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

The Board will have the discretion to retain the Director, Key Management Personnel, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. Remuneration to directors/ key management personnel /senior management personnel.

1. Remuneration to Managing Director / Whole-time Directors

- a. The Remuneration/ Commission to be paid to Managing Director / Whole-time Directors, etc. is governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b. The Nomination Remuneration and Compensation Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non- Executive / Independent Directors

- a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders.
- c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e. The Nomination Remuneration and Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

10. Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members.

Appointment Policy

The Appointment Policy for Independent Directors, Key Managerial Personnel & Senior Executives will be as under-

a. Independent Directors

Independent Directors will be appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, rules made thereunder & Listing Agreements entered with Stock Exchanges.

b. Key Managerial Personnel (KMP)

Key Managerial Personnel will be appointed by the resolution of the Board of Directors of the Company, based on qualifications, experience and exposure in the prescribed field. Removal of the Key Managerial Personnel will also be done by the resolution of Board of Directors of the Company. Appointment/ Removal will be in accordance with the provisions of the Companies Act, 2013, rules made thereunder, and Listing Agreements entered with Stock Exchanges.

c. Senior Executives

Senior Executive will be appointed by the Chairman and the Managing Director and/or Executive Director of the Company based on their qualifications, experience and exposure. Removal of the Senior Executives will also be by Chairman, Managing Director and/or Executive Director. Further, appointment and removal will be noted by the Board as required under clause 8(3) of Companies (Meeting of Board and its Powers) Rules, 2014.