



DNV FOOD PRODUCTS LIMITED

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NOMINATION & REMUNERATION POLICY

❖ Introduction:

This Nomination and Remuneration Policy (the “Policy”) has been amended in accordance with the provisions Section 178 of the Companies Act, 2013 and the regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

This Nomination and Remuneration Policy is applicable to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel (the “SMP”) of DNV Food Products Limited (“Company”)

❖ Objective and Purpose of the Policy:

The Objectives and purpose of the policy are:

- a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director
- b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

The Committee should ensure that 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 and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

❖ Definitions:

“**Independent Directors**” means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Nomination and Remuneration Committee**” (“the Committee”), by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

“**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**” (the “KMP”) shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act.

“Senior Managerial Personnel/ Senior Management” shall mean the officers and personnel of the entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

❖ **Composition of the Committee:**

The composition of the Committee is / shall be in compliance with the provisions of Section 178 of the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

❖ **Role of the Committee:**

The Committee shall:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 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 agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

❖ **Appointment and Removal of Directors, Key Managerial Personnels and Senior Managements:**

- a) 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 his / her appointment, as per Company's 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 Managing/ 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.

❖ **Term / Tenure**

The Term of the Directors including Managing/Whole time Director/ Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing policies of the Company

❖ **Evaluation**

The Committee shall identify the evaluation criteria for the purpose of evaluating the performance of independent directors, non-independent directors, the Chairperson and the Board as a whole in accordance with the provisions of section 178 of the Companies Act, 2013. The Committee also specifies the criteria to assess the quality, quantity and timeliness of information flow between the Company's management and the Board as decided from time to time.

The structure of performance evaluation is enclosed as **Annexure I (Part A to Part E)**.

❖ **Removal**

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

❖ Retirement

The Director, KMP and Senior Management Personnel 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, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

❖ Policy for remuneration to Directors/KMP/Senior Management Personnel

The Policy on remuneration to Managing Director / Whole-time Director, KMP and Senior Management and remuneration to Non-Executive / Independent Directors has been prepared separately under the title “ **Policy for criteria for making payment to the directors**”

❖ Amendment

The Board on its own and/or as per the recommendations of the Nomination and Remuneration Committee may amend this policy, as deemed fit from time to time.

PART- A

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

(By the Board of Directors, except IDs)

Rating Scale:

- 1. Outstanding
- 2. Exceeds Expectation
- 3. Meets Expectation
- 4. Needs Improvement
- 5. Poor

Sl. No.	Criteria	Rating			Comments
		ID 1	ID 2	ID 3	
1.	Director Upholds ethical standards of integrity and probity				
2.	Attendance and participations in the meetings				
3.	Raising of concerns to the Board				
4.	Safeguard of confidential information				
5.	Rendering independent, unbiased opinion and resolution of issues at meetings				
6.	Assisted the Company in implementing best corporate governance practice and monitors the same				
7.	Initiative in terms of new ideas and planning for the Company				
8.	Safeguarding interest of whistle-blowers under vigil mechanism				
9.	Acts within his authority and assists in protecting the legitimate interest of the Company, Shareholders and employees.				
10.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any				
11.	Contribution to strategic decision making				
12.	Review of risk assessment and risk mitigation.				
13.	Review of financial statements, business performance.				
14.	Contribution to the enhancement of brand image of the Company.				
15.	Keeps himself/herself well informed about the Company and external environment in which it operates.				
16.	Adheres to the applicable code of conduct for Independent Directors				

Overall rating of Independent Director's Performance	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
ID1					
ID2					
ID3					

Any suggestion

Name of Director:

Signature

Date:

PART- B

PERFORMANCE EVALUATION OF NON-INDEPENDENT/ EXECUTIVE DIRECTOR

(By the Independent Directors)

Rating Scale:

- 1. Outstanding
- 2. Exceeds Expectation
- 3. Meets Expectation
- 4. Needs Improvement
- 5. Poor

Sl. No.	Assessment Criteria	Rating			Comments
		D1	D2	D3	
1.	Leadership initiative				
2.	Initiative in terms of new ideas and planning for the Company				
3.	Professional skills, problem solving, and decision making				
4.	Compliance with policies of the Company, ethics, Code of Conduct, Good Governance etc.				
5.	The Director has effectively monitored and evaluated financial planning, budget and administrative operations.				
6.	Reporting of frauds, violation etc.				
7.	Safeguarding of interest of whistle blowers under vigil mechanism				
8.	Regularly demonstration of creativity and initiative in creating new products and services.				
9.	The Director has built strong working relationships with Board members and has worked closely and cooperatively with the board in developing the mission, and short, medium and longterm strategic plans				

Overall rating of Non- Independent Director's Performance	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
D1					
D2					
D3					

Any suggestion

Name of Director:

Signature

Date:

PART - C

PERFORMANCE EVALUATION OF CHAIRPERSON

(By the Independent Directors)

Rating Scale:

- 1. Outstanding
- 2. Exceeds Expectation
- 3. Meets Expectation
- 4. Needs Improvement
- 5. Poor

Sl. No.	Criteria	Rating	Comments
		P1	
Managing Relationships			
1.	The Chairperson actively manages shareholders, board, management and employee relationships and interests.		
2.	The Chairperson manages meetings effectively and promotes a sense of participation in all the Board meetings.		
Leadership			
3.	The Chairperson is an effective leader.		
4.	The Chairperson promotes effective participation of all Board members in the decision making process.		
5.	The Chairperson promotes the positive image of the Company.		

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Chairperson's performance					

Any suggestion

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Name of Director:

Signature

Date:

PART- D

PERFORMANCE EVALUATION OF BOARD AS A WHOLE

(By the Independent Directors)

Rating Scale:

- 1. Outstanding
- 2. Exceeds Expectation
- 3. Meets Expectation
- 4. Needs Improvement
- 5. Poor

Sl. No.	Criteria	Rating	Comments
1.	The Board of Directors of the Company is effective in decision making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the Company's performance in carrying out the stated mission on a regular basis		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management.		
6.	Is the Board as a whole upto date with latest developments in the regulatory environment and the market?		
7.	The information provided to Directors prior to Board Meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the Policy and governance work of the Board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the Independent Auditor from selection to termination and has an effective process to evaluate the Independent Auditor's qualifications and performance.		

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board Performance					

Any suggestion

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Name of Director:

Signature

Date:

PART- E

ASSESSMENT OF QUANTITY, QUALITY AND TIMELINESS OF INFORMATION TO THE BOARD

(By the Independent Directors)

Rating Scale:

- 1. Outstanding
- 2. Exceeds Expectation
- 3. Meets Expectation
- 4. Needs Improvement
- 5. Poor

Sl. No.	Criteria	Rating	Comments
1.	The information coming to the Board in the form of agenda papers, financial reports and management presentations is detailed and sufficient to make good decisions.		
2.	The quality of the information to the Board and its committees is of high standard.		
3.	The information is furnished to the members in time, to enable them to absorb and analyze it to make its effective use.		
4.	The draft minutes of meetings of the Board and its committees are complete, clear, accurate and timely.		
5.	Both good and bad news are communicated to the Board as they arise		
6.	The management responses to the observations of the internal auditors are given after considerable internal discussions		

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating					

Any suggestion

Name of Director:

Signature

Date: