

Blue Horizon Investments Limited

# Nomination and Remuneration Policy

2024-25 & onward

## SUMMARY OF POLICY

<b>Policy Name</b>	Nomination and Remuneration Policy
<b>Regulations</b>	Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
<b>Latest Review Date</b>	May 2024 and onwards
<b>Review Cycle</b>	Annually or in the event of any regulatory/ statutory changes
<b>Approver</b>	Board of Directors of Blue Horizon Investments Limited
<b>Version</b>	1.0

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## 1. INTRODUCTION

In pursuance of Section 178 of the Companies Act, 2013 and the rules framed thereunder (as amended from time to time) (the “Act”) and SEBI (Listing Obligation and Disclosure Requirements), 2015 as amended from time to time (the “SEBI Listing Regulations”) and the Company’s policy to consider human resources as its invaluable assets and to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the Company this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors of the Company.

## 2. DEFINITION

- i. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time. Board means Board of Directors of the Company.
- ii. **Company** means “Blue Horizons Investments Limited”
- iii. **Directors** mean Directors of the Company
- iv. **Key Managerial Personnel** means
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole-time director;
  - Chief Financial Officer
  - Company Secretary;
  - such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - Such other officer(s) as may be prescribed
- v. **Committee** means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.
- vi. **Senior Management** shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
- vii. **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013 and SEBI Listing Regulations.
- viii. **Policy** means Nomination and Remuneration policy.
- ix. **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.

## 3. OBJECTIVE

The objective of the policy is:

- i. 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.
- ii. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. That 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 COMMITTEE

The role of the Committee is:

1. To formulate 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;
2. To evaluate the balance of skills, knowledge and experience on the Board in case of every appointment of an independent director 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.
3. To specify the manner for effective evaluation of performance of independent directors, the board of directors and its committees to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
4. To identify 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.
5. To recommend to Board of Directors whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To recommend to Board of Directors, all remuneration, in whatever form, payable to senior management.
7. To develop a succession plan for the Board and to regularly review the plan.
8. 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.

## **5. APPLICABILITY**

- i. Directors (Executive and Non-Executive).
- ii. Key Managerial Personnel.
- iii. Senior Management Personnel etc.
- iv. Other Employees of the Company.

This Remuneration Policy shall also apply to all future / continuing employment/ engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

Any departure from the policy shall be recorded and reasoned in the minutes of Committee and Board meeting.

## **6. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

### **6.1 APPOINTMENT CRITERIA, QUALIFICATIONS AND ATTRIBUTES**

- i) 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 to the Board his / her appointment.
- ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Directors including Independent Directors and Key Managerial Personnel should meet the requirements/ criteria, if any, as prescribed/ may be prescribed under the provisions of the Companies Act, 2013, from time to time. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- iii) The Company shall not appoint or continue the employment of any person as Managing Director/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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- iv) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Act, read with Schedule IV and Rules thereunder and SEBI (LODR Regulations), 2015 as amended from time to time

### **6.2 TERM/TENURE**

#### **MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR:**

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or Whole-Time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

#### **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.

## **REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **RETIREMENT**

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

## **7. REMUNERATION TO DIRECTORS/ KEY MANAGERIAL PERSONNEL/ SENIOR MANAGEMENT PERSONNEL ETC.**

### **7.1 REMUNERATION TO MANAGING/ WHOLE-TIME DIRECTOR:**

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director/ Whole time Directors, etc. shall be 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.

The Nomination and Remuneration 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 in accordance with the provision of the Companies Act, 2013 and Listing Regulations.

### **7.2 REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTOR:**

The Non-Executive/ Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013.

#### **7.2.1 SITTING FEES**

The Non-executive/ Independent Directors of the Company may be paid sitting fees, if any, as per the applicable Regulations and provisions of the Companies Act, 2013 or any other enactment for the time being in force. Further no sitting fee shall be paid to Executive Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company Provided that the amount of such fees shall not exceed the amount as prescribed in Companies Act, 2013.

#### **7.2.2 PROFIT LINKED COMMISSION**

The profit –linked Commission shall be paid as per applicable provisions of the Companies Act and listing Regulations.

#### **7.2.3 STOCK OPTIONS**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company

**7.3 REMUNERATION TO SENIOR MANAGEMENT PERSONNEL, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:**

The Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company’s HR policies and/ or as may be approved by the Committee. The Remuneration may consist of Fixed and Flexible Pay, Performance Based Incentive, Stock Options or in any other form as per HR Policies of the company.

**8. MINIMUM REMUNERATION**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act, and if it is not able to comply with such provisions, with the prior approval of the Central Government.

**9. PROVISIONS FOR EXCESS REMUNERATION**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**10. EVALUATION MECHANISM-BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS**

The Committee shall specify the manner for effective evaluation of performance of Board, its Committees, and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The Evaluation process may be carried out as per the SEBI guidelines vide SEBI CIRCULAR NO. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated 5th January 2017 on Guidance Note on Board Evaluation or by such other procedure as the Committee may deem fit for evaluation process.

The Company shall consider the below factors while performance evaluation of the Directors, Committees, and the Board as a whole. These parameters are illustrative in nature and the Company may consider other qualitative and quantitative requirements for evaluation of the Board.

<b>Matrix For the Evaluation of Board, Committees, and the Directors</b>	
1.	<u>Criteria for the Evaluation of a Board as a whole:</u> <ul style="list-style-type: none"><li>• Board Composition &amp; Quality;</li><li>• Board and Management Relations;</li><li>• Board Meeting &amp; Procedures;</li><li>• Board Strategy and Risk Management;</li><li>• Grievance Redressal for Investors;</li><li>• Conflict of Interest;</li><li>• Stakeholder Value and responsibility;</li><li>• Corporate Cultures &amp; Values;</li><li>• Review of Board Evaluation;</li><li>• Facilitation of Independent Directors;</li></ul>



<b>Matrix For the Evaluation of Board, Committees, and the Directors</b>	
2.	<u>Criteria for the Evaluation of Board Committee:</u> <ul style="list-style-type: none"> <li>• Structure of the Committee and meetings;</li> <li>• Mandate &amp; Composition;</li> <li>• Effectiveness of the Committee;</li> <li>• Independence of the Committee from the Board;</li> <li>• Contribution to Decisions of the Board;</li> </ul>
3.	<u>Criteria MD &amp; WTD</u> <ul style="list-style-type: none"> <li>• Leadership</li> <li>• Performance</li> <li>• Value Creation</li> <li>• Governance &amp; Compliance</li> </ul>
4.	<u>Criteria for Non- Executive Directors</u> <ul style="list-style-type: none"> <li>• Knowledge &amp; Skill</li> <li>• Diligence &amp; Participation</li> <li>• Leadership</li> <li>• Managing Relationship</li> </ul>
5.	<u>Criteria for Independent Directors</u> <ul style="list-style-type: none"> <li>• Independence</li> <li>• Knowledge &amp; Participation</li> <li>• Commitment</li> <li>• Integrity</li> </ul>
6.	<u>Criteria for Chairperson</u> <ul style="list-style-type: none"> <li>• Managing Relationship</li> <li>• Leadership</li> </ul>
7.	<u>Rankings</u> Rankings stands as under: 1= Poor 2= Average 3= Good 4= Very Good 5= Excellent

#### **11. AMENDMENT**

Any change in the Policy shall be approved by the Board of Directors of the Company. Any amendment in the statutory/regulatory guidelines shall prevail and necessary amendment shall be carried out at a subsequent date in the Policy. The Board of Directors of the Company shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, subject to applicable laws in force. Further, the statutory/regulatory guidelines as prescribed shall prevail in the event of any amendments or requirements not incorporated in the Policy.

#### **12. POLICY SEVERABLE**

This Policy read with the provisions of Companies Act, 2013 constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from

the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.