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## **CHARTER FOR THE NOMINATION AND REMUNERATION COMMITTEE**

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### **AZAD ENGINEERING LIMITED**

(Formerly Azad Engineering Private Limited)

CIN: U74210TG1983PLC004132

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## **1. Introduction**

Committee means Nomination and Remuneration Committee of the Board of Directors of Azad Engineering Limited (Formerly known as Azad Engineering Private Limited) (the “**Company**”) as constituted or reconstituted and which is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Companies Act, 2013 and the Rules made there under, as amended from time to time. The role, responsibilities and powers of the Committee shall include matters set out in this Charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable laws from time to time.

## **2. Roles And Responsibilities Of The Committee**

The Committee is central to the effective functioning of the Board. The roles and responsibilities of the Committee shall include the following:

- i. 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;
- ii. 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
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- iii. Formulation of criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- iv. Evaluate the balance of skills, knowledge and experience on the Board at the time of recommending the 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;
- v. Devising a policy on diversity of the Board of Directors;
- vi. 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;
- vii. The committee shall consider and recommend the appointment of the Chief Financial Officer (“CFO”) and Company Secretary (“CS”) to the Board;
- viii. 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;
- ix. recommend to the board, all remuneration, in whatever form, payable to senior management;
- x. carrying out additional functions as contained in any other regulatory requirements applicable to the Company or in the terms of reference of the Nomination and Remuneration Committee;
- xi. undertake other specific duties and responsibilities as the Board prescribes from time-to-time.

## **3. Membership**

The Committee shall consist of at least Three (3) Non-Executive Directors of the Company and at least two-third of the Directors shall be Independent Directors.



**4. Chairperson**

- i. Chairperson of the Committee shall be an Independent Director;
- ii. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- iii. The Chairperson of the Committee may be present at the Annual General Meeting, to answer the shareholders' queries; however, it shall be up to the Chairperson to decide who shall answer the queries.

**5. Meetings & Reports**

- i. The Company shall constitute the Committee through the Board;
- ii. The Committee will meet at least once in a year.
- iii. The Committee may meet in person or through other methods like video conferencing, audio conferencing, etc. as may be permitted by law from time to time.
- iv. Under normal circumstances, Meetings of the Committee may be attended by the Managing Director, the Directors, CFO and the Company Secretary and the Independent Auditors.
- v. The Committee may at its discretion require the attendance of such other persons from within the Company at Committee meetings;
- vi. The Committee shall report regularly to the Board with respect to the Committee's activities and receive feedback and direction from the Board on such activities.

**6. Quorum**

The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance

**7. Circular Resolutions**

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

**8. Minutes**

The Company Secretary will maintain minutes of its meetings, which will be submitted to the Board at its subsequent meeting for noting.

**9. Delegation Of Authority**

The Committee may delegate to one or more designated members of the Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings.

**10. Power To Remove Difficulties**

If any difficulties arise in giving effect to the provisions of this Charter, the Chairman of the Committee may in consultation with the Board by an order make such provisions as appear to it to be necessary or expedient for removing the difficulty by suitably amending/ modifying such provisions.

**11. Amendment**

The Board of Directors shall have the right to withdraw and/or amend any part of this Charter or the entire Charter, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed there under or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other laws in this regard shall automatically apply to this Charter.

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