



UTTAM SUGAR MILLS LIMITED

(Nomination and Remuneration Policy)

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company had already constituted Remuneration Committee comprising of three non-executive Directors in pursuance of the provisions of Companies Act, 1956 and Listing Regulations. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement from time to time, the Board of Directors in its meeting held on 14th May 2014 reconstituted and changed the name of "Remuneration Committee" as "**Nomination and Remuneration Committee**".

OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Listing Regulations.

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

APPLICABILITY

This Nomination and Remuneration Policy (the "Policy") applies to the each member of Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Uttam Sugar Mills Limited.

DEFINITIONS

"**Act**" means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

"**Board**" means Board of Directors of the Company.

“Committee” Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

“Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013.

“Policy” means Nomination and Remuneration Policy.

“Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

“USML or Company” means Uttam Sugar Mills Limited

USML’S NOMINATION & REMUNERATION COMMITTEE

Name	Designation	Category of Member
Mr. Jasbir Singh	Chairman	Non-Executive & Independent
Mr. G. S. Matta	Member	Non-Executive & Independent
Mrs. Anju Sethi	Member	Non-Executive & Independent

MEMBERSHIP

- a) The Committee shall consist of minimum 3 non-executive directors, half of them being independent.
- b) The Chairman of the Committee will be Independent Director.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) The Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders’ queries.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

ROLE OF COMMITTEE

The role of the Committee inter alia will be the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;

- c) Devising a policy on Board diversity;
- d) 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 their appointment and removal.
- e) To perform such other functions as may be necessary or appropriate for performance of its duties.

GENERAL OBLIGATION OF COMMITTEE

- a) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- b) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Listing Regulations or any other enactment for the time being in force.
- c) The Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.
- d) The Committee shall formulate Criteria for Evaluation of Independent Director and the Board.
- e) The Committee shall ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- f) The Committee while approving the remuneration shall take into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
- g) The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

APPOINTMENT CRITERIA AND QUALIFICATIONS:

- 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 to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

a) Remuneration to Managing Director / Whole-time Directors:

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

b) Remuneration to Non Executive / Independent Directors:

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.

In addition to the remuneration described above, the independent Directors will be reimbursed actual cost incurred for travel, hotel and other incidental expenses incurred by the directors for participating in the meeting of the Board and Committees thereof.

The Committee will also recommend the remuneration to be paid to KMP, Senior Management Personnel.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management and it should be in line of the provisions of Companies Act, 2013 along with Rules made thereto and Listing Regulations.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

TERM / TENURE

a) 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.

b) 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.

EVALUATION

The Committee shall carry out evaluation of performance of Directorc, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

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.

MINUTES OF COMMITTEE MEETING

Minutes must be prepared for all proceedings and same must be signed and dated by the Chairman of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

REVIEW AND AMENDMENT

- a) The Committee or the Board may review the Policy as and when it deems necessary.
- b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- c) This Policy may be amended or substituted by the Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

NOTE

The provisions of the Companies Act, 2013 and rules thereto and the Listing Regulations (including any amendment thereto from time to time) to the extent applicable, shall be apply in addition to this policy.