

NOMINATION POLICY ⁽¹⁾

1. PURPOSE

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

Nomination and Remuneration Committee (“the Committee” or “NARC”) is constituted by the Board of Directors (“Board”) of Hariyana Ship-Breakers Limited (“Company”) pursuant to the provisions of Section 178 of the Companies Act, 2013 and applicable rules made thereunder (“Act”) and Clause 49 of the erstwhile Equity Listing Agreement (“Listing Agreement”).

The constitution, composition and role of the Committee is also in line with the provisions of Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

This policy is enacted mainly to deal with the following matters, falling within the scope of the Committee:

- a. To institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel and/or in senior management and recommend to the Board of Directors their appointment and removal from time to time;
- b. To devise a policy on Board Diversity;
- c. To review and implement the succession and development plans for Managing Director, Executive Directors and Senior Managers ⁽²⁾;
- d. To formulate the criteria for determining qualifications, positive attributes and independence of Directors;
- e. To establish evaluation criteria of Board, its Committees and each Director.

2. BOARD OF DIRECTORS

i) Identification, Nomination & Board Diversity

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

In designing the Board’s composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

(1) Amended vide a resolution of the Board of Directors of the Company passed at its meeting held on March 29, 2018.

(2) “Senior Managers” means members of the Company’s core management team as determined from time to time by the Committee, excluding Board of Directors, and comprising at least all members of management one level below the Executive Directors, including the functional heads.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

ii) Evaluation Process

The Committee shall annually evaluate the performance of the Board as per the approved Evaluation Framework and conduct an assessment of the performance of each of the Directors individually against the criteria and Evaluation Framework as determined and approved by the Board/ Committee.

The performance evaluation of Independent Directors shall be done by the entire Board of Directors, on the basis of recommendations of the Committee (excluding the Director being evaluated).

iii) Training and Development

The Company shall periodically organise sessions under the familiarisation programme for the Directors including Independent Directors to apprise them with the business operations of the Company and also let them know their roles, rights and responsibilities in the Company to enable them to make effective contribution and discharge their functions as a Board Member.

The Committee shall approve training policies, including new Director orientation and continuing education requirements or expectations, for Non-executive and Independent Director.

iv) Succession Planning

The Committee shall review and implement succession and development plans.

v) Criteria for determining qualifications, positive attributes and independence of Directors

The Committee shall follow the principles enshrined in the Act and the SEBI Listing Regulations while fixing the criteria for determining the qualifications, positive attributes and independence of Directors, at all times.

3. KEY MANAGERIAL PERSONNEL (“KMP”) AND OTHER SENIOR MANAGERS⁽²⁾

i) Identification & Nomination

The Committee shall identify the persons who may be appointed as KMP and other Senior Managers, taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it deems appropriate.

The Committee shall recommend to the Board the appointment and removal of KMP and other Senior Managers of the Company.

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ii) Training & Development

The Committee shall be responsible to maintain a framework for talent/ competency development strategy for KMP and other Senior Managers of the Company.

iii) Evaluation Process

The Committee shall review and approve the evaluation of performance of KMP and Senior Managers of the Company.

iv) Terminations and Severances

The Committee shall also review terminations/ replacements/ severance of employments of KMP and other Senior Managers.

v) Succession Planning

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for KMP and other Senior Managers as may be required, from time to time.

4. REVIEW AND AMENDMENTS

- i) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- ii) The Committee shall re-assess and review the adequacy of this charter annually and propose and recommend changes to the Board for approval as and when necessary.
- iii) This Policy may be amended or substituted by the Board as and when required specifically where there are any statutory amendments necessitating the change in the policy.

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