

SARAL MINING LIMITED
(FORMERLY KNOWN AS XO INFOTECH LIMITED)

NOMINATION AND REMUNERATION POLICY

This Policy shall be effective from April 1,

2019. Preamble:

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “**Act**”) and Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “**SEBI Listing Regulations**”), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

1. Objective:

In order to comply with the requirements of Section 178 of the Act and Regulation of the SEBI Listing Regulations and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the “**Committee**”) had formulated this policy (the “**Policy**”).

The Key Objectives of the policy as follows:

- a. To formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the “**Board**”) policies relating to the remuneration (**payable in whatever form**) of the Directors, Key Managerial Personnel and other employees.
- b. To formulate criteria for evaluation of the members of the Board and provide the necessary report to the Board for further evaluation of the Board.
- c. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- d. To ensure that remuneration to Directors, KMP 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.
- e. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.

II. Definitions:

- a. “**Act**” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. “**Board**” means the Board of Directors of the Company.

c. **“Directors”** shall mean Directors of the Company.

d. **“Key Managerial Personnel”** or **“KMP”** means:

in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer;
- (v) 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
- (vi) such other officer as may be prescribed

e. **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

f. **“Independent Director”** means a director referred to in Section 149(6) of the Act.

III. Appointment of Directors, KMPs and Senior Management

a. Appointment Criteria and Qualifications

Qualification for appointment of Directors (including Independent Directors):-

- a) Persons of eminence, standing and Knowledge with significant achievements in business, Professions and /or public service.
- b) Their Financial or business literacy/Skills.
- c) Other appropriate qualification/ experience to meet the objectives of the Company.
- d) As per the applicable provisions of companies Act, 2013, Rules made there under and SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Criteria for appointment of KMP/ Senior management:

- a) To Possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

- b) To Practice and encourage professionalism and transparent working environment.
- c) To build teams and carry the team members along for achieving the goals/ objectives and corporate mission.
- d) To adhere strictly to code of conduct.

b. Term/Tenure:

The term of Directors including managing directors/ whole time directors/ Independent directors shall be governed as per the provisions of the Act and rules made there under and SEBI (LODR) Regulations, 2015 as amended from time to time. Whereas the terms of the KMP (other than the Managing/ Whole time Director) and senior management shall be governed by the prevailing HR Policies of the Company.

c. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular intervals (yearly).

The evaluation of performance of the 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 of independent directors shall be done by the entire board of directors which shall include –

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these regulations and their Independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

d. Retirement:

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

e. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management:

- i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company as per the applicable provisions of the Act, Listing Regulations and any other laws, as may be applicable, for the time being in force.
- ii. The remuneration and commission to be paid to the Managing Director and / or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act Listing Regulations and any other laws, as may be applicable, for the time being in force.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

f. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

- i. The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F.), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V to the Act.

- iii. Provisions for excess remuneration:

If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

The company shall not waive the recovery of any sum refundable to it under the aforementioned para unless it approves by the company by special resolution within two years from the date the sum becomes refundable.

Where the company has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining approval of such waiver.

g. Remuneration to Non- Executive / Independent Director:

1) Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.

2) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3) Limit of Remuneration/Commission:

Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

4) Stock Options:

An Independent Director shall be entitled to any stock option of the Company.

IV. Membership:

- a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.
- c) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

V. Chairperson

- a) Chairperson of the Committee shall be an Independent Director.

- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) 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.

VII. Secretary:

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

VIII. Minutes of Committee Meeting:

Proceedings of all Meetings must be minuted and signed by the Chairperson of the Committee at the subsequent Meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting.
