



# Lancer Container Lines Ltd.

## POLICY OF NOMINATION AND REMUNERATION COMMITTEE

### • The Objectives of the Policy

Pursuant to Section 178 of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, Companies (Meetings of Board and its Powers Rules, 2014 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has already constituted Nomination and Remuneration Committee comprising of three Independent and Non-Executive Directors as required under the said laws. This Policy is originally approved and adopted by the Board at its meeting held on 12<sup>th</sup> August, 2024 and shall be of guidance for the Board. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down as under:

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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.

### • Definitions

The definitions of some of the key terms used in this Policy are given below.

“Act” means the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof.

“Board” means Board of Directors of the Company. “Company”

means Lancer Container Lines Limited.

“Key Managerial Personnel” or “KMP” refers to the Key Managerial Personnel as defined under the Section 203 of the Act and includes:

- i Managing Director or Whole Time Director or Manager;
- ii Chief Executive Officer (CEO);
- iii Chief Financial Officer (CFO);
- iv. Company Secretary (CS);
- 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.



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“**Nomination and Remuneration Committee**” or “**NRC**” means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Policy or This Policy**” means, “Nomination and Remuneration Policy.”

“**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.

- **Meeting and Quorum of the Committee**

The nomination and remuneration committee shall meet at least once in a year. 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.

- **Constitution and Composition of Nomination and Remuneration Committee**

The committee shall comprise of at least three directors, all directors of the committee shall be non-executive directors; and at least two thirds of the directors shall be independent directors. The Chairperson of the nomination and remuneration committee shall be an independent director.

- **Role of The Committee**

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

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board a policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of such duties.



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## • Selection and Nomination of Directors

The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board Member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of Director:

1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Director for informed and balanced decision making.
3. Adherence to the prescribed criteria of Independence, if applicable, Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Act and Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## • Selection and Nomination of Key Managerial Personnel and Senior Management:

The Company has a well-defined and structured recruitment process for Key Managerial Personnel and Senior Management. The appointment of KMPs shall be approved by the Board of Directors on recommendation from the Committee.

## • Removal of Director

If a Director is attracted with any disqualification as mentioned in any of the applicable Acts, rules and regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

## • Remuneration Policy for Directors and KMPs

### i. Non-Executive Directors including Independent Directors

The Nomination and Remuneration Committee shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors including Independent Directors whether as commission, stock options or sweat equity or otherwise. The Committee shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Act and such other factors as the committee may consider deem fit for determining the compensation. The remuneration to Non-Executive Directors, shall be recommended by NRC to the Board. The Board shall approve the remuneration to Non- Executive Directors within the overall limits specified in the Shareholders resolution.

The sitting fee payable to the Non-Executive Directors for attending the Board and Committee meetings shall be fixed subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.



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## ii. Executive Directors

The remuneration to Chairman, Managing Director, if any and Executive Director(s), if any, shall be recommended by NRC to the Board. The remuneration may consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), issue of sweat equity shares to individual or otherwise, perquisites and fringe benefits as approved by the Board and within the overall limits specified in the shareholder's resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance and shall be approved by the Board of Directors.

The Nomination and Remuneration Committee will determine the annual variable pay compensation in the form of annual incentive and annual increment for the Executive Directors based on Performance evaluation of individual Director as well as Company.

## iii. Key Managerial Personnel (KMPs)

Pursuant to the provisions of Section 203 of the Act, the Board shall approve the terms and conditions of appointment including the remuneration of KMPs at the time of their appointment. The appointment and remuneration of Key Managerial Personnel should be approved by the Board on the basis of recommendation made by the NRC. The appointment of Chief Financial Officer ("CFO") should also be approved by the Audit Committee after assessing the qualifications, experience and background, etc. of the candidate, wherever applicable. Pursuant to the provisions of Section 203 of the Act, the Board shall approve the appointment and remuneration of KMPs and at the time of their appointment after seeking the inputs from the Audit Committee and recommendation of the NRC. Any revision in the remuneration, in whatsoever form, of the KMPs shall be approved and recommended by NRC to the Board for approval. The remuneration shall be consistent with the Competitive position of the salary for similar positions in the industry and their qualifications, experience, roles and responsibilities. The remuneration to Directors, KMP's and senior management involves balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company its goals.

The Board and the NRC may also establish further rules and procedures and grant necessary delegations, from time to time, to give effect to this Policy.

### • Board Diversity

The Committee shall ensure that a transparent board nomination process is in place which is based on merit. The Committee shall encourage diversity of thought, skills, experience, background, knowledge, ethnicity, perspective, age and gender. The Committee shall ensure that the Board has adequate independence in person as well as in its decisions. This Committee shall assess issues of diversity of the Board from time to time.

### • Dissemination

Information on the total remuneration of Members of the Company's Board of Directors, Senior Management Personnel may be disclosed in the Company's annual financial statements. The Company's Remuneration Policy shall be published on its website.

### • Policy Review

This policy shall be reviewed from time to time so that the policy remains compliant with the applicable legal requirements.