

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 and and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") as amended from time to time, the Board of Directors of every listed company is required to constitute Nomination and Remuneration Committee to guide the Board on various issues of appointment, evaluate performance and remuneration of Directors, Key Managerial and Senior Management Personnel.

APPLICABILITY:

This Policy applies to:

- i) Board of Directors
- ii) Key Managerial Personnel
- iii) Senior Management Personnel
- iv) Other Employees

OBJECTIVE

The objective of the Nomination and Remuneration policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Nomination and Remuneration Committee which formulates this policy would be:

- 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 an 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 performance of independent directors and the board of directors.
- iv) Devising a policy on diversity of board of directors.
- v) Identifying persons who are qualified to become directors and who maybe appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- vi) 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.
- vii) Recommend to the board, all remuneration, in whatever form, payable to senior management.

DEFINITIONS

- a) 'Act' means Companies Act, 2013 and rules relating thereto.
- b) 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- c) 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- d) 'Company' means Selan Exploration Technology Limited.
- e) 'Directors' means a director appointed to the Board of a Company.
- f) 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013 and/or as defined under Regulation 16 (b) of the Listing Regulations.
- g) 'Key Managerial Personnel' (KMP) means:
 - h) Chief Executive Officer or the Managing Director or the Manager
 - i) Company Secretary
 - j) Whole-time Director
 - k) Chief Financial Officer
 - l) Such other officer, not more than one level below the Directors who is in whole time employment, designated as KMP by the Board and such other officer as may be prescribed.
- m) 'Senior Management' means the personnel of the Company who are members of core management team excluding Board of Directors comprising all members of management one level below Chief Executive Officer/ Managing Director/ Whole time Director and shall specifically include Company Secretary and Chief Financial Officer.

CONSTITUTION OF THE COMMITTEE

- i) The board of directors shall constitute the nomination and remuneration committee as follows:
 - a) The committee shall comprise of at least three directors;
 - b) All directors of the committee shall be non-executive directors; and
 - c) At least two-thirds of the directors shall be independent directors.
- ii) The Chairperson of the nomination and remuneration committee shall be an independent director, provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
- iii) 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.
- iv) The Chairperson of the nomination and remuneration 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.
- v) The nomination and remuneration committee shall meet at least once in a year.

GUIDELINES FOR PAYMENT OF REMUNERATION

- a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel 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 and Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
- c. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

- d. **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 Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

Remuneration / Commission: The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

POLICY REVIEW

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

POLICY SEVERABLE

In the event that any term, condition or provision of this Policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.