



SWAN LNG

NOMINATION AND REMUNERATION
POLICY

Preamble

Our policy on the appointment of Directors including Independent Directors, Key Managerial Personnel (KMP) and senior management and the policy on remuneration of the Directors, KMP and other employees provides a referendum based on which the Human Resource Team plans and strategies their recruitment plans for the strategic growth of the Company. The policy is provided herewith pursuant to the provisions of Section 178(4) of the Companies Act, 2013.

The Company acknowledges that a Board with diversified expertise and experience, adequate mix of Executive and Independent Directors, provides the desired vision, governance structure and mission to the Company in order to enable it to achieve its goals.

Objective and Purpose of the Policy

In line with the requirements of the Companies Act, 2013, the objectives and purpose of the policy are as under:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence of director and recommend the appointment and removal of director / Senior Management / KMP to Board member.
- To lay out the remuneration principles for the directors, KMP and other employees.
- To formulate the criteria for performance evaluation of the Board, its committee and individual Directors.

Policy for the appointment and removal of Directors, KMP and Senior Management:

The criteria for the appointment of Directors, KMP and Senior Management are as follows:

- 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.
- The candidate shall possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
- A Whole-Time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time.
- In case of an Independent Director, the proposed appointee should possess the desired attributes and should not suffer from any disqualifications as prescribed under Section 149(6) read with the relevant rules.

Term/Tenure:

i. Managing Director/Whole-time Director:

The Company may appoint or re-appoint a person as Chairman, Managing Director or Whole-time 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.

ii. 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 for another term up to five consecutive years. No Independent Director shall hold office for more than two consecutive terms.

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder or for such other compelling reasons, the Committee may recommend to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to compliance of the provisions of the Act, Rules and Regulations.

Retirement:

The Independent Directors shall not be liable to retire by rotation. The other Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act. The Board will have the discretion to retain the Whole-time Directors, KMP or other Senior Management Personnel in the same position/remuneration or otherwise, for the benefit of the Company.

Policy relating to the Remuneration for the Director, KMP and other employees:

- Remuneration to the Directors will be determined by the Committee and recommended to the Board.
- Increments to the existing remuneration of the Directors shall be approved by the Committee within the overall limits as approved by the shareholders and placed before the Board.
- The remuneration should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, KMP and Senior Management Personnel and other employees involves a clear balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- While determining the remuneration/ compensation/ benefits, etc. to the Directors, KMP and Senior Management Personnel and other employees, the Committee shall keep in mind the following criteria:
 - That the remuneration is aligned with market when compared to relevant peer companies
 - The remuneration should be based on the role played by the individual in managing the Company including responding to the challenges faced by the Company.

Performance Evaluation:

The committee shall carry out the evaluation of performance of the Board, its committee and individual Directors. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation of performance should be carried out at least once in a year.