

## **NOMINATION AND REMUNERATION POLICY**

### **1. MEMBERSHIP**

- The Committee shall consist of a minimum of three Non-Executive Directors, with a majority being Independent Directors.
- The quorum for a Committee meeting shall be the greater of:
  - two members, or
  - one-third of the members of the Committee, or
  - such other composition as the Board may determine (all Independent Directors, if deemed fit).
- The members of the Committee shall be appointed or removed by the Board of Directors.

### **2. CHAIRMAN**

- The Chairman of the Committee shall be an Independent Director.
- In the absence of the Chairman, the members present shall elect one among themselves as Chairman.
- The Chairman (or a nominated member) may attend the Annual General Meeting of the Company to respond to shareholders' queries. The Chairman of the Board shall determine who will address such queries.

### **3. TERMS OF REFERENCE**

The Committee shall:

- a) Formulate criteria for determining qualifications, positive attributes, and independence of a Director, and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP), and other employees.
- b) Formulate criteria for evaluation of Directors.
- c) Devise a policy on Board diversity.
- d) While formulating the remuneration policy, ensure that:
  - the level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate directors of the quality required;
  - the relationship of remuneration to performance is clear and meets appropriate benchmarks;
  - remuneration includes a balance between fixed and incentive pay, reflecting both short and long-term performance objectives aligned with the Company's goals.
- e) Identify persons qualified to become Directors or Senior Managers and recommend their appointment or removal.
- f) Ensure disclosure of the Company's remuneration policy and evaluation criteria in the annual report.
- g) Contribute to deliberations of the Board with relevant experience in governance and corporate affairs.

### **4. SELECTION OF NEW DIRECTORS**

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- To have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ deliberations of Board/ Corporate Governance or the other disciplines related to Company's business.
- The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- Potential conflicts of interest, and independence.

### **5. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR**

- a) **Qualifications of Independent Director: -**  
An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related and beneficial to the company's business.

b) **Positive attributes of Independent Directors: -**

An independent director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

c) **Independence of Independent Directors: -**

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning independence of directors.

## 6. **POLICY ON BOARD DIVERSITY**

The Company should endeavour to have mix of Directors with experience in diverse fields viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

## 7. **REMUNERATION POLICY**

a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:

- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- to attract and retain skilled executives;
- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.
- to consider professional indemnity and liability insurance for Directors and senior management.

b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

c) Remuneration to Non-Executive Directors (NED's):

- The Board of Directors shall decide the sitting fees to be provided to the NED's, if any.
- NED's shall not be entitled to any commission on net profit of the Company.

d) Remuneration to Key Managerial Personnel & other employees:

- The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.
- Remuneration to Executive Director/ Key Managerial Personnel and Senior Management will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance bench marks and may involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- While deciding the remuneration package to take into consideration current employment scenario and remuneration package of the industries operating in the similar comparable businesses in the geographical area of its operations.
- The Company has no stock options, plans and hence, such instruments do not form part of their remuneration package.

## 8. **AGENDA, MINUTES & REPORTS**

Meetings of the Committee can be held whenever required. The Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to all the

Board of Directors. The Company Secretary of the Company shall act as the Secretary/ Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

**9. POLICY REVIEW**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.