NOMINATION & REMUNERATION POLICY

[As per Companies Act 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. Objective

This Policy is framed pursuant to the requirements of **Section 178 of the Companies Act, 2013** and **Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**. It aims to:

- Lay down criteria for appointment and removal of Directors, KMPs, and Senior Management
- Formulate a transparent remuneration framework based on performance and merit
- Ensure Board diversity and effective succession planning

II. Definitions

- **KMP:** Key Managerial Personnel, as per Section 2(51) of the Companies Act, 2013, in relation to a company, means—

  (*i*) the Chief Executive Officer or the managing director or the manager.

  (*ii*) the company secretary.

  (*iii*) the whole-time director.

- **Senior Management:** Officers one level below the Board, including functional heads
- **Independent Director:** As defined under: -
- <u>Section 149(6) of the Companies Act, 2013</u>

  An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, —

  a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.
  b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company.

(ii) who is not related to promoters or Directors in the company, its holding, subsidiary or associate company.

c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year.

d) who, neither himself nor any of his relatives—

  i. holds or has held the position of key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.

  ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

  (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

  (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm.

  iii. holds together with his relatives two per cent. or more of the total voting power of the company; or

  iv. is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

e) who possesses such other qualifications as may be prescribed.

- As per **Regulation 16(b) of SEBI LODR**:

  "Independent director" means a non-executive director, other than a nominee director of the listed entity:

i. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience.

ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity.

iii. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company.

iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year.

v. none of whose relatives—(A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified; (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year; (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income: Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

vi. (vi)who, neither himself100[“/herself],nor whose relative(s) —(A)holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed: Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment. (B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —(1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm; (C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or (D) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity; (E)is a material supplier, service provider or customer or a lessor or lessee of the listed entity.

vii. who is not less than 21 years of age.

viii. Who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

- **Remuneration:** Remuneration, as per Section 2 (78) of Companies Act, 2013, 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 (43 of 1961).

III. Constitution of the Committee

The Nomination and Remuneration Committee (NRC) shall be constituted as per Section 178 of the Companies Act and Regulation 19 of SEBI LODR and shall consist of:

- Minimum 3 Non-Executive Directors
- At least half of them to be Independent Directors

- Chairperson must be an Independent Director

IV. Roles & Responsibilities of the NRC

- Identify and recommend individuals for Board, KMP, and Senior Management positions
- Evaluate Board composition, diversity, and succession planning
- Formulate criteria for determining qualifications, positive attributes, and independence
- Recommend policy for remuneration of Directors, KMP, and Senior Management
- Review and monitor implementation of this policy

V. Policy for Appointment and Removal

1. Criteria for Appointment

- Integrity, leadership qualities, qualifications, and relevant experience
- Ability to contribute to Company's strategy and governance
- No disqualifications under Companies Act or SEBI regulations
- In case of Independent Directors, criteria under Section 149 and SEBI LODR must be met

2. Term / Tenure

- Directors: As per statutory provisions
- KMP/Senior Management: Based on employment terms and Company's internal policies

3. Removal

- Based on misconduct, disqualification, or as per performance evaluation and organizational requirements

VI. Remuneration Policy

1. Remuneration of Directors

- Executive Directors/KMPs: Fixed pay (salary, perquisites, retirement benefits) and variable pay (incentive, bonus, commission) aligned to performance
- Non-Executive Directors: Sitting fees (as per limits under Companies Act), profit-linked commission (if approved by shareholders), and reimbursement of expenses

2. <u>Remuneration to KMP and Senior Management</u>

- Based on industry benchmarks, job role, experience, and individual & Company performance
- Reviewed annually by NRC

3. <u>Stock Options</u>

- May be granted under a Board/shareholder-approved scheme (e.g., ESOP/ESAR)

VII. Board Evaluation

The NRC shall oversee the annual performance evaluation of:

- Individual Directors
- The Board as a whole
- Committees of the Board

Evaluation shall be based on:

- Attendance and participation
- Governance and risk oversight
- Contribution to strategy
- Ethical conduct and compliance

VIII. Disclosure

- This policy shall be disclosed on the Company's website.
- Key elements shall be included in the Board's Report, as required under Section 134(3)(e) and Rule 8(4) of the Companies (Accounts) Rules, 2014.
- Annual disclosure of remuneration ratios and median employee pay shall be made, as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

IX. Review & Amendment

The Board or its Nomination & Remuneration Committee shall periodically review this Programme to ensure relevance and effectiveness. This Policy may be reviewed and amended by the Nomination and Remuneration Committee, subject to approval by the Board, in line with applicable laws and best practices.