NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Nomination and Remuneration Policy deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

The Board of Directors of the Company will constitute Nomination and Remuneration Committee of the Board (NRC) comprises of Non- Executive Directors

Criteria of selection of Non-Executive Directors

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 174 of the Companies Act, 2013.

d. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

   i. Qualification, expertise and experience of the Directors in their respective fields;

   ii. Personal, Professional or business standing;

   iii. Diversity of the Board.

1. OBJECTIVE:

This policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. SCOPE:

This policy is applicable to Directors and Senior Management of the Company including Key Managerial Personnel.

3. DEFINITIONS:

3.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
3.2. Board means Board of Directors of the Company
3.3. Directors means Directors of the Company
3.4. Key Managerial Personnel means:
   1. Managing Director
   2. Whole-time Director
   3. Chief Executive Officer
   4. Company Secretary and
   5. Chief Financial Officer
3.5. Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

4. ROLE OF THE COMMITTEE

a) To formulate criteria for identifying Directors and Senior Management employees of the Company.
b) To recommend to the Board in relation to appointment and removal of Directors and Senior Management.
c) To formulate criteria for evaluation of Independent Directors and the Board.
d) To carry out evaluation of the performance of the Directors on the Board.
e) To formulate and recommend to the Board a policy relating to the remuneration payable to Directors, Key managerial personnel and Senior Management employees covered under Clause 4.5.
f) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
h) Also, to ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable performance.
i) to devise a policy on Board diversity

5. POLICY FOR IDENTIFICATION, APPOINTMENT AND RETIREMENT OF DIRECTORS AND SENIOR MANAGEMENT

5.1. Appointment criteria for Directors and Senior Management:

   a. A person who is proposed to be appointed as a Director and/or in Senior Management as a KMP should possess adequate qualification, expertise and experience for the position he / she is considered for appointment and has to be recommended by the Committee to the Board for appointment.

b. A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
c. The Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
d. Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder the Act and SEBI Listing Regulations (as amended from time to time).
e. On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.
f. Appointment of Key Managerial Personnel (KMP) is subject to compliance of provisions of Section 203 of the Companies Act, 2013, read with Rules made thereunder the Act (as amended from time to time).
g. The appointment of Senior Management Personnel (excluding KMPs) will be decided by the Managing Director and their terms of appointment will be in accordance with the Company Rules and policy framework.

5.2. Term / Tenure of appointment for Directors and Senior Management:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director/ Whole-time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

b) 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 on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an

Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c) Senior Management:

In case of Senior Management (excluding KMPs at Board Level, term/tenure of appointment will be as per Company Rules and policy framework.

5.3. Retirement and Removal of Directors and Senior Management:

a. The Director shall retire as per the applicable provisions of the Act.
b. Should the Board decide, it will have the discretion to retain the Director in the same position/ remuneration or otherwise even after attaining the retirement age, in the interest of the Company subject to necessary approvals under the applicable laws, if any.
c. Due to reasons for any disqualification mentioned in the Act or the Rules made thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.
d. Extension of the term of appointment of a KMP (excluding those at Board level) and any Senior Management Personnel beyond his/her retirement age will be decided by the Managing Director.
e. The proposal for removal of any KMP shall be put forth by the Committee to the Board for approval Removal of Senior Management Personnel (excluding KMPs) will be in line with the provisions of the terms of appointment and will be decided by the Managing Director.

6. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT EMPLOYEES

6.1. General:

a) The Committee shall ensure that 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) Moreover, it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Directors shall be recommended by the Committee to the Board for approval Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.

e) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.

f) Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

6.2. Remuneration to Managing Director/Whole time Directors:

6.3. The remuneration for the Managing Director/ Whole-time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

6.4. Remuneration to Non- Executive & Independent Directors:

a) The remuneration payable to Directors who are neither Managing Director nor Whole time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

b) Sitting Fees:

These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1 lac (One Lac) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Remuneration:

Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013.

Independent Directors shall not be entitled to any stock options of the Company under the Companies Act, 2013.

6.5. Remuneration to KMP and Senior Management employees:

As mentioned earlier, the remuneration as approved by the Board of Directors shall be payable to KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.

7. POLICY ON BOARD DIVERSITY:

a) The Board of Directors shall have an optimum combination of Directors from different areas / fields as may be considered appropriate, as well as gender.
b) The Board shall have at at-least one Board member who has accounting or related financial management expertise and other members of the Board should be financially literate.
c) The Board shall also have at-least one Woman Director.
d) To the extent feasible, the composition of the Board should be of individuals from different functional domain areas.

8. DISCLOSURE OF THE POLICY:

The Remuneration Policy and the Evaluation Criteria of the Committee shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

9. FREQUENCY OF MEETINGS:

The meetings of the Committee could be held at such regular intervals as may be required.

10. QUORUM:

Minimum two (2) members shall constitute a quorum for the Committee meeting.

11. CHAIRMAN:

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting, to answer the Members queries. However, it would be upto the Chairman to nominate some other member to answer the Members' queries.

12. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

13. MISCELLEANOUS:

a) In respect of any policy matters relating to Senior Management (excluding KMPs), the Committee may delegate any of its powers to one or more Company representatives occupying Senior management position.
b) This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other applicable enactment for the time being in force.

Amendment to Law any subsequent amendment / modification in the SEBI Listing Regulations, Act and all other applicable laws in this regard shall automatically apply to this Policy

This policy was approved and adopted by the Board of Directors of the Company at its Meeting held on December 25, 2024.