



# **NOMINATION AND REMUNERATION POLICY**

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**Background:**

Maxwell Engineering Solutions Limited [hereinafter referred to as “the Company”] upholds a corporate culture rooted in the principles of trusteeship, empowerment, accountability, robust internal controls, and ethical conduct. Transparency remains central to all its practices, with a steadfast commitment to maximizing value for all stakeholders.

**Objectives of the Policy:**

The objectives of this Nomination and Remuneration Policy are as follows:

1. To establish a framework for effective governance of the nomination and remuneration processes of the Company in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. To formulate criteria for:
  - Determining the qualifications, positive attributes, and independence of a director.
  - Evaluation of the performance of the Board, its committees, and individual Directors, including Independent Directors.
3. To identify and recommend to the Board:
  - Individuals who are qualified to become Directors.
  - Persons suitable for appointment to Key Managerial Personnel and Senior Management positions, based on the criteria defined in this Policy.
4. To provide guidance on matters relating to the appointment, removal, extension or continuation of the term of Directors, Key Managerial Personnel, and Senior Management Personnel, including Independent Directors, based on performance evaluation.
5. To ensure Board diversity by devising a policy that promotes representation from varied backgrounds, skill sets, experience, and gender.
6. To define and recommend a fair, transparent, and performance-linked remuneration policy, which:
  - Is reasonable and sufficient to attract, retain, and motivate Directors and Senior Executives of the quality required to drive the Company's success.
  - Maintains a clear linkage between remuneration and performance, aligned with appropriate performance benchmarks.
  - Balances fixed and variable (incentive-based) components of pay to reflect short-term and long-term performance objectives, in line with the strategic goals of the Company.
7. To recommend to the Board all forms of remuneration payable to Senior Management, ensuring alignment with the Company's overall compensation philosophy and governance standards.

**Brief overview under Companies Act, 2013:**

Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014:

Constitution of Nomination and Remuneration Committee (NRC) comprising three or more non-executive directors, with not less than one-half being independent directors. While the Chairperson of the company may be a member of the Committee (irrespective of executive or non-executive status), they shall not chair the Committee.

The key responsibilities of the NRC include:

- Identifying and recommending to the Board, individuals who are qualified to be appointed as directors and in senior management, in accordance with prescribed criteria.
- Formulating and recommending a policy relating to the remuneration of directors, key managerial personnel (KMP), and other employees.
- Specifying the manner for effective performance evaluation of the Board, its committees, and individual directors, which may be carried out by the Board, the NRC, or an independent external agency.
- Reviewing the implementation and compliance of such evaluation process.
- Formulating criteria for determining qualifications, positive attributes, and independence of a director.

While formulating the remuneration policy, the NRC is mandated to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate directors of the quality required for effective company leadership.
- The relationship between remuneration and performance is clearly defined and aligned with appropriate performance benchmarks.
- The structure of remuneration strikes a balance between fixed and variable pay, with a focus on both short-term and long-term objectives in line with the company's goals.

Additionally, the remuneration policy shall be placed on the website of the Company. The salient features of the policy and any material changes therein, along with the web address, shall be disclosed in the Board's Report.

**Brief overview under SEBI Listing Regulations:**

In compliance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to constitute a Nomination and Remuneration Committee (NRC) with a defined composition, meeting structure, and functional responsibilities, as outlined below:

**Composition and Governance Requirements:**

- The NRC shall comprise at least three directors, all of whom must be non-executive directors.
- At least two-thirds of the Committee members shall be independent directors.
- The Chairperson of the NRC shall be an independent director.
- The Chairperson of the Company, whether executive or non-executive, may be a member but shall not chair the Committee.
- The Committee shall meet at least once in every financial year.
- The quorum shall be either two members or one-third of the total strength of the Committee, whichever is higher, with at least one independent director present.

**Key Functions of the Committee:**

As per Part D of Schedule II of the SEBI Listing Regulations, the NRC is entrusted with the following additional responsibilities, distinct from those under the Companies Act:

- Evaluating the balance of skills, knowledge, and experience on the Board prior to the appointment of an Independent Director and preparing a description of the role and capabilities required for the position.
- For identifying suitable candidates for such roles, the Committee may:
  - Engage external agencies if required,
  - Consider candidates from diverse backgrounds,
  - Take into account time commitments expected from the appointees.
- Devising a policy on Board diversity to ensure varied representation in terms of gender, skills, and experience.
- Assessing whether to extend or continue the term of an Independent Director based on the outcome of performance evaluations.
- Recommending to the Board all remuneration, in whatever form, payable to senior management personnel.

**Disclosure Obligations:**

The Company shall disclose the remuneration policy and the evaluation criteria applicable for the Board and senior management in its Annual Report, in accordance with SEBI Listing Regulations. Any revisions to the policy shall be similarly disclosed, along with its web link, if hosted on the Company's website.

**This Policy is divided in two parts:**

Part A - Policy for appointment of and payment of remuneration to Director, Key Managerial Personnel and other employees.

Part B - Policy on Diversity of Board of Directors of the Company.

**Effective Date:**

The policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors in their meeting held on July 26, 2025, and as amended from time to time. This policy shall be operational with immediate effect.

***Part A - Policy for Appointment of and Payment of Remuneration to Director, Key Managerial Personnel and other employees:*****Definitions:**

“Act” means the Companies Act, 2013, and the rules framed thereunder, as amended from time to time.

“Board” or “Board of Directors”: shall mean Board of Directors of the Company, as constituted from time to time.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

“Company” means Maxwell Engineering Solutions Limited.

“Independent Director” means a Director as per Section 149(6) of the Act and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

“Key Managerial Personnel (KMP)” shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him/her and includes perquisites as defined under the Income Tax Act, 1961.

“Senior Management” shall mean officers or personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole-time Director/ Manager (including Chief Executive Officer/ Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time, shall have the meaning respectively assigned to them therein.

**Applicability:**

This Policy is applicable to:

1. Directors viz. Executive, Non-Executive and Independent
2. Key Managerial Personnel &
3. Senior Management Personnel.

**Present position of Directors and KMP of the Company:**

The Company has duly constituted a Nomination and Remuneration Committee as a part of its Board of Directors.

As on date, the Board comprises a total of 5 (Five) Directors, out of which 3 (Three) are Non-Executive Directors, including 2 (Two) Independent Directors, and the remaining 2 (Two) are Executive Directors. Mr. Rajkumar Chaudhary, Chairman & Managing Director, and Mr. Vinubhai Kanjibhai Chavda, Whole-time Director, are the Executive Directors who draw remuneration from the Company.

The Key Managerial Personnel (KMP) of the Company include the Chairman & Managing Director, Whole-time Director, Chief Financial Officer (CFO), and Company Secretary, all of whom are in full-time employment with the Company.

**Role of Committee:**

The role of the Committee inter alia will be the following:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

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:



- (i) use the services of an external agencies, if required.
  - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (iii) consider the time commitments of the candidates.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board.
- (c) Devising a policy on Board diversity.
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters.
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
- (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- (i) Determining whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors.
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (k) Administering, monitoring and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws:
  - (i) Determining the eligibility of employees to participate under the ESOP Scheme.
  - (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate.
  - (iii) Date of grant;
  - (iv) Determining the exercise price of the option under the ESOP Scheme.
  - (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct.



- (vi) The exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
- (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee.
- (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares.
- (x) The grant, vest and exercise of option in case of employees who are on long leave.
- (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit.
- (xii) The procedure for cashless exercise of options.
- (xiii) Forfeiture/ cancellation of options granted.
- (xiv) Formulate the procedure for buy-back of specified securities issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
  - permissible sources of financing for buy-back.
  - any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
  - limits upon quantum of specified securities that the Company may buy-back in a financial year.
- (xv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
  - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action.
  - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
  - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

- (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
  - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company and its employees, as applicable.
- (n) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Such terms of reference as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.”

**General Appointment Criteria:**

The Nomination and Remuneration Committee shall evaluate individuals proposed for appointment as Director, Independent Director, or Key Managerial Personnel (KMP) based on their ethical standards of integrity and probity, as well as their qualifications, expertise, and relevant experience, and shall recommend their appointment to the Board accordingly.

The Company shall ensure that any person being appointed as a Director, Independent Director, or KMP is not disqualified under the provisions of the Companies Act, 2013, rules made thereunder, or any other applicable laws or regulations in force at the time.

All appointments shall be made in accordance with the procedure prescribed under the Companies Act, 2013, relevant rules framed thereunder, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

In the case of appointment or re-appointment to Senior Management positions, the Manager-HR & Admin, shall evaluate the candidate’s background, skills, competency, educational and professional qualifications, age, and relevant experience. The recommendation shall then be forwarded to the Chief Executive Officer (CEO) and/or Managing Director (MD) of the Company.

The CEO and/or the MD shall, in accordance with the applicable provisions of the Companies Act, 2013 and the Company’s internal Policy, finalize the appointment or re-appointment of Senior Management Personnel.

**Additional Criteria for Appointment of Independent Directors:**

The appointment of Independent Directors shall be carried out in compliance with the provisions of:

- Section 149 of the Companies Act, 2013,
- Schedule IV of the Companies Act, 2013 (Code for Independent Directors), and
- Relevant regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

All prospective Independent Directors shall be evaluated on their ability to meet the criteria of independence, possess relevant expertise and experience, and contribute effectively to the governance and oversight responsibilities of the Board.

**Criteria for determining the following:***Qualifications for appointment of Directors (including Independent Directors):*

- Individuals of eminence, integrity, and proven track record, with significant achievements in business, profession, and/or public service.
- Possession of adequate financial acumen, business literacy, or relevant analytical skills.
- Relevant industry experience that aligns with the Company's strategic and operational objectives.
- Other qualifications and professional experience considered appropriate for achieving the Company's vision and goals.
- Inclusion of the candidate's name in the data bank maintained under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, wherever applicable.

The Committee shall have the discretion to determine and apply additional criteria or norms for the selection of the most suitable candidates, based on the evolving needs of the Company and the Board.

The Company shall not appoint or continue the employment of any person as 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

*Positive Attributes of Directors (Including Independent Directors):*

The Directors, including Independent Directors, are expected to demonstrate the following key attributes:

- High standards of integrity, credibility, and trustworthiness, with the ability to handle conflicts constructively and address issues proactively.
- Commitment to continual learning and updating knowledge and skills in line with industry trends, market dynamics, and evolving legal and regulatory requirements.
- Willingness and ability to devote adequate time and attention to the affairs of the Company and actively participate in Board and Committee meetings.
- Capacity to contribute independent judgment, particularly on matters related to strategy, performance, risk management, resources, key appointments, and standards of conduct.
- Ability to develop and maintain collaborative and effective working relationships with fellow Board members and senior management.
- Commitment to act within the scope of their authority and to safeguard the legitimate interests of the Company, its shareholders, employees, and other stakeholders.
- Independent Directors shall additionally fulfill the conditions specified under the Companies Act, 2013, applicable Rules, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**B. Criteria for Appointment of Key Managerial Personnel (KMP) and Senior Management:**

In evaluating individuals for appointment as KMP or Senior Management, the following criteria shall be considered:

- Possession of the requisite qualifications, experience, competencies, and domain expertise relevant to the position.
- Demonstrated professionalism, ethical conduct, and commitment to maintaining a transparent and responsible working environment.
- Leadership skills with the ability to build, mentor, and lead teams, fostering collaboration to achieve the Company's strategic goals and corporate mission.
- Strong alignment with the Company's core values and strict adherence to the Code of Conduct applicable to Senior Management and KMP.

**Term/ Tenure:****Managerial Personnel**

The Company shall appoint or re-appoint any person as its Managerial Personnel (including Managing Director or Whole-time Director) for a term not exceeding 5 (five) years at a time, in accordance with the provisions of the Companies Act, 2013.

No re-appointment shall be made earlier than one year before the expiry of the current term.

**Independent Directors**

The tenure of Independent Directors shall be governed by the provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and the applicable rules, notifications, circulars, or clarifications issued by the Ministry of Corporate Affairs (MCA) from time to time.

The maximum tenure shall be subject to limits prescribed under law, and any re-appointment, if applicable, shall be based on performance evaluation and compliance with eligibility conditions.

**Evaluation:**

The Committee shall undertake the evaluation of the performance of the Directors, Key Managerial Personnel (KMP), and Senior Management Personnel on an annual basis or at such other intervals as it may deem necessary.

Such evaluation shall be carried out in accordance with the criteria and methodology laid down by the Committee and approved by the Board, in alignment with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Company's Performance Evaluation Policy.

The outcomes of the evaluation shall be considered for the purpose of determining re-appointment, continuation, and remuneration of the concerned individuals, as applicable.

**Removal:**

In the event a Director, Key Managerial Personnel (KMP), or Senior Management Personnel incurs any disqualification under the provisions of the Companies Act, 2013, rules made thereunder, or under any other applicable laws, rules, or regulations, or for any other reasonable cause, the Committee may, after recording reasons in writing, recommend their removal to the Board of Directors.

**Retirement:**

The Directors, KMP and Senior Management Personnel shall retire in accordance with the provisions of the applicable laws, rules, regulations, as well as the prevailing Human Resource (HR) policy of the Company.

In the case of Directors, KMP, and Senior Management, retirement shall be governed by the relevant provisions of the Companies Act, 2013, and other applicable statutes, read with the internal policies of the Company, as amended from time to time.

**Policy for Remuneration to Directors/ KMP/ Senior Management Personnel:**

*General Philosophy*

The remuneration policy aims to ensure that the level and structure of remuneration is reasonable, competitive, and motivating, enabling the Company to attract, retain, and reward competent professionals in line with its strategic objectives and long-term goals.

Remuneration shall reflect a balance between fixed and performance-linked pay, aligned with individual performance, Company performance, and prevailing industry practices, while remaining compliant with the Companies Act, 2013, SEBI Listing Regulations, and other applicable laws.

**Remuneration to Managerial Personnel, Key Managerial Personnel and Senior Management:**

**a) Remuneration**

Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and rule made thereunder for the time being in force. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders. The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Act, and the rules made thereunder for the time being in force.

**b) Provisions for excess remuneration:**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed or without approval required under the Companies Act, 2013, 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 approved by the company by special resolution within two years from the date the sum becomes refundable.

**c) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

**Approval and Increments:**

The Committee shall recommend remuneration to the Board, which shall approve it, subject to shareholders' approval wherever applicable.

Annual increments shall be determined by the Board based on the Committee's recommendation.

**Stock Options:**

Executive Directors may be eligible for stock options as per any existing or future scheme framed by the Company, subject to regulatory compliance.

**Remuneration to Non-Executive Directors/ Independent Directors:****a) Remuneration/Commission**

The remuneration/Commission paid to Non- Executive Directors/ Independent Directors shall be in accordance with applicable provisions of the Companies Act 2013, and rules made thereunder for the time being in force.

**b) Sitting Fees:**

The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Stock Option:**

An Independent Director shall not be entitled to any stock option of the Company.

**d) Commission/Remuneration Limit.**

Remuneration/Commission to Non-Executive may be paid within the monetary limit approved by shareholders, subject to the limit prescribed under the applicable provisions of the Companies Act 2013.

**Approval:**

All payments shall be made as per the applicable provisions of the Companies Act, 2013, and rules made thereunder.

**Remuneration to other employees of Company:**

Remuneration shall be based on the individual's qualifications, experience, role, and responsibilities.



The package may include basic salary, HRA, PF, gratuity, performance bonus, insurance benefits, leave encashment, and other components as per the Company's HR Policy.

**Appraisal and Increments:**

Annual increments shall be:

- For KMP/Senior Management/Whole-time Directors: Recommended by the Committee and approved by the Board.
- For other employees: Determined by the CEO, Managing Director and/or Whole-time Director, in consultation with HR and respective reporting managers.

**Stock Options:**

Eligible personnel may be granted stock options in accordance with the scheme(s) approved by the Board and shareholders, if applicable.

**Invitees to the Meeting:**

The Committee may invite such executives or other person, as it deems appropriate, to attend the meetings and provide necessary insights or information. However, such invitees shall not have any voting rights at the meeting.

**Frequency of Meetings:**

The Committee shall meet at least once in a financial year or more frequently as may be deemed necessary by the Committee.

**Voting:**

All matters placed before the Committee shall be decided by a majority of the Members present and voting. In case of an equality of votes, the Chairperson of the meeting shall have a casting vote.

Any decision taken in this manner shall be deemed to be a valid decision of the Committee.

**Minutes of Committee Meeting:**

The proceedings of all Committee meetings shall be recorded in writing and the minutes shall be signed by the Chairperson of the Committee at the subsequent meeting.

The minutes of the Committee meetings shall be placed before the Board of Directors and also before the next meeting of the Committee for noting and record.

**Reconstitution of Committee and Amendment to the Policy:**

In the event any provisions of this Policy become inconsistent with the Companies Act, 2013, or any applicable rules, regulations, or statutory modifications, such provisions shall stand amended or modified to align with the prevailing law.

The Committee shall review and recommend appropriate amendments to the Policy to ensure continued compliance, which shall be placed before the Board for approval.

The Board of Directors shall reconstitute the Nomination and Remuneration Committee as and when required to comply with the provisions of the Companies Act, 2013, and other applicable statutory requirements.

**PART B – POLICY ON DIVERSITY OF BOARD OF DIRECTORS OF THE COMPANY****A. Policy Statement:**

The Company recognises and values the importance of a diverse Board, comprising individuals with a broad mix of skills, experience, expertise and varied perspectives suited to the evolving needs of the business of the Company. Board Diversity is essential for sustaining a competitive advantage and fostering effective decision making.

A truly diverse Board draws upon differences in professional background, industry knowledge, regional, and global exposure, educational and cultural upbringing, gender, age and other distinguishing attributes. These aspects are considered in determining the optimal composition of the Board and must be balanced appropriately, as and when required.

Board appointments shall be made on the basis of merit while also aiming to enhance the overall mix of capabilities of the Board. The evaluation shall include relevant factors such as domain knowledge, professional qualifications, experience, gender, cultural background, and any other criteria deemed relevant by the Board to ensure its effective functioning.

In achieving Board diversity based on the above principles, the following criteria shall be considered:

**I. Optimum Composition**

(a) The Board shall comprise an appropriate mix of Executive and Non-Executive Directors, with at least 50% of the Board consisting of Non-Executive Directors.

(b) In cases where the Chairperson of the Board is a Non-Executive Director, at least one-third of the Board shall consist of Independent Directors. However, if the Company does not have a regular Non-Executive Chairperson, a minimum of half of the Board shall comprise Independent Directors.

(c) The Company shall ensure the presence of at least one Independent Woman Director on the Board to uphold gender balance and promote inclusivity.

## II. Recommendation:

While recommending the appointment of new Directors, the Committee shall:

- (a) Periodically review the structure and composition of the Board, considering all dimensions of diversity to support the effective discharge of its functions.
- (b) Identify and assess suitable candidates on merit, in alignment with objective criteria and with due regard to the benefits of diversity.
- (c) For every proposed appointment of an Independent Director, evaluate the current balance of skills, knowledge, and experience on the Board, and prepare a detailed role description outlining the competencies required. The selected candidate shall meet the parameters outlined in this evaluation.

## III. Functional Diversity:

- (a) Appointment of Directors shall be aligned with the specific needs and strategic direction of the Company. Candidates shall be selected based on their qualifications, domain knowledge, relevant experience, and skill sets that complement the Company's business.
- (b) Professional expertise in key areas such as finance, law, industry-specific functions, risk management, and corporate governance shall be given due consideration.
- (c) In the case of Independent Directors, emphasis shall be placed on assessing and ensuring their independence in accordance with applicable laws and governance principles.
- (d) Existing directorships held by the candidate in other companies may also be evaluated to ensure adequate time commitment and to avoid potential conflicts of interest.

## Dissemination:

The salient features of this Policy and any changes thereto shall be disclosed in the Board's Report and shall be published on the Company's website, in accordance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

## Version History:

| Sr. No. | Version | Created by  | Approved By        | Approval Date  |
|---------|---------|-------------|--------------------|----------------|
| 1       | 1.0     | Secretarial | Board of Directors | July 26, 2025. |