

# Nominations and Remuneration Policy

## 1. Preamble and Objective

This Nomination and Remuneration Policy ("Policy") provides the framework and key guiding principles to be followed in for appointment and determination of remuneration of Directors and Key Managerial Personnel as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of SEBI (LODR) Regulations, 2015 as amended from time to time.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance and ensure remuneration of the members of the Board, Directors, KMP and Senior Management of the company.
- b) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the remuneration of the directors, key managerial personnel, Senior Management and other employees of the Company.

## 2. Terms and references:

In this Policy, the following terms shall have the following meanings:

"Director" means a director appointed to the Board of the Company.

"Key Managerial Personnel" means as per Section 2(51) of the Companies Act, 2013.

"Nomination and Remuneration Committee" (NRC) means the committee constituted by Madhusudan Industries Ltd in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The composition of the Committee is / shall be in compliance with the provisions of Section 178 of the Act and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

"Senior Management" shall mean the following personnel constituting the core management team for the Company: (a) Chief Operating Officer/ Chief Executive Officer/ Chief Financial Officer (b) The President/Vice President in each division, Human Resource Officer, the Head Accounts and Head Commercial & Indirect Taxation.

## 3. Role of the Nomination and Remuneration Committee:

The Committee shall:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- ii) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- iii) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- iv) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- v) To devise a Policy on Board diversity.

#### **4. Criteria for Appointment of Director, Key Managerial Personnel and Senior Management and their Term of Appointment.**

Nomination and appointment of Directors, Key Managerial Personnel and Senior Management and other employees of the Company shall be based upon appropriate qualifications, experience and attributes. The committee shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment based upon the need of the Company.

Appointment of Independent Directors is also subject to compliance of provisions of the Companies Act, 2013 and Listing Regulations.

The Term of the Directors including Independent Directors shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (LODR) Regulations, 2015, as amended from time to time. Whereas the term of the KMP and Senior Management shall be governed by the prevailing HR policies of the Company.

#### **5. Remuneration to KMPs, Non-Executive Non-Independent Director & Independent Director:**

The remuneration to the KMPs, Non-Executive Non-Independent Director & Independent Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and HR policies of the company subject to the recommendation of the committee and approval by Board / shareholders. As and when required.

#### **6. Performance Evaluation:**

The Committee will evaluate the performance and ensure remuneration of the members of the Board, Directors, KMP and Senior Management of the company based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

#### **7. Policy on Board diversity:**

The Board of Directors shall comprise of Directors having expertise in different areas / fields. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge etc. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one woman director.

#### **8. Policy Review:**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. This policy shall be deemed to be amended/or modified pursuant to any amendment or modification or replacement or reenactment of SEBI(LODR) Regulations, 2015 or any other laws and/or Regulations as amended, modified, replaced or re-enactment from time to time by the SEBI, Govt. of India and/or any other regulating authority.

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