SUNKIND INDIA LIMITED

NOMINATION AND REMUNERATION POLICY

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1. INTRODUCTION

1.1 This policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors ("**Policy**").

1.2 This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended ("**the Act**"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a nomination and remuneration committee (the "**NR Committee**") which is in compliance with the requirements of the Companies Act, 2013

2. OBJECTIVES

2.1 The NR Committee shall act in accordance with Section 178 of the Act read with the applicable Rules thereto and Regulation 19 of the Listing Regulations. The Key Objectives of the Committee shall be:

A. To formulate the 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 and other employees.

B. To evaluate the performance of the members of the Board and its Committees including Independent Directors and provide necessary report to the Board for further evaluation.

C. To identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

D. To recommend to the Board on Appointment, Removal and Remuneration of Director, Key Managerial Personnel and Senior Management Personnel.

E. To devise a policy on diversity of Board of Directors.

F. To advise Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

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G. To ensure the policy includes the following guiding principles:

- 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.
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

3. DEFINITIONS:

3.1 **"Board"**: - Board means the board of directors of the Company.

3.2 **"Director"**: - Director means Director of the Company appointed in accordance with the Companies Act, 2013.

3.3 **"NR Committee"**: - NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

3.4 **"Company"**: - Company means Sunkind India Limited.

3.5 **"Independent Director"**: - As provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

3.6 **"KMP" or "Key Managerial Personnel"**: - Key Managerial Personnel or KMP means-

(i) the Chief Executive Officer or the Managing Director or the Manager;
(ii) the Whole-time Director;
(iii) the Chief Financial Officer
(iv) the Company Secretary; and
(v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

3.7 **"SMP" or "Senior Management Personnel"**: - Senior Management Personnel shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager.

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

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4. APPLICABILITY

4.1 The Policy is applicable to:

A. Directors (Executive and Non-Executive);

B. Key Managerial Personnel; and

C. Senior Management Personnel

5. SCOPE AND TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee shall be as under:

1) formulating 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;

2) for the appointment of an independent director, the 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 of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a. use the services of external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.

3) formulation of criteria for evaluation of the performance of independent directors and the Board;

4) devising a policy on diversity of our Board;

5) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;

6) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;

8) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

9) recommending to the Board, all remuneration, in whatever form, payable to senior management;

10) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

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11) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

12) analyzing, monitoring and reviewing various human resource and compensation matters;

13) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

14) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and

15) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

6. APPOINTMENT AND QUALIFICATION CRITERIA:

6.1 The NR Committee shall identify and ascertain integrity, probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

6.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

6.3 The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ SMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

6.4 The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and any other enactment for the time being in force which is applicable to the Company.

6.5 The Company may appoint or continue the employment of any person as Whole-time Director/Managing Director/Manager who has attained the age of seventy years subject to the approval of shareholders by passing special resolution. The explanatory statement annexed to the notice by such motion indicating the justification for appointing such person.

7. ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

7.1 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, technical operations or other disciplines related to the Company's business.

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7.2 The NR Committee shall consider appointment as an Independent Director on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

8. TERM / TENURE:

8.1 Managing Director/ Whole-time Director/Manager

A. The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

8.2 Independent Director

A. 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.

B. 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the NR Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

C. 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.

9. REMOVAL

9.1 Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the NR Committee may recommend to the Board with reasons recorded in writing, for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10. RETIREMENT

10.1 The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director/KMP/SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance of all applicable legislations.

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11. EVALUATION

The Committee shall advise the process to carry out evaluation of performance of every Director, KMP and Senior Management Personnel and other employees at regular interval (yearly). Evaluation process shall be conducted for the Board as a whole, Board Committees and also for the Directors individually.

Performance evaluation of the KMPs and SMPs shall be carried out by their respective reporting Executives and Functional Heads, based on the Key Results Area (KRA) set at the beginning of the financial year and reviewed at least once during the year to modify such KRAs, if required.

Performance evaluation of the Independent Directors shall be carried out by the entire Board, except the Independent Directors being evaluated.

12. BOARD DIVERSITY:

12.1 The Board of Directors identifies the importance of a diverse Board. It recognizes that diversity on the Board of Directors will improve the Board effectiveness and decision – making by tapping into a broader range of perspectives which will assist the Board, inter alia, in fulfilling its duties like managing and mitigating environmental, social and corporate governance risks; ensuring sustainable development and balanced growth of the Company.

12.2 The composition of the Board shall be in compliance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, Rules made thereunder and Listing Regulations, 2015 as amended from time to time. The Board of Directors of the Company shall have an optimum combination of Executive, Non-Executive Directors and Independent Directors including Woman Directors. In designing the Board's composition, Board diversity is considered from various aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, global business, leadership, technological skills and knowledge, networking, value addition and representation of stakeholders.

12.3 All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board may have the combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

13. REMUNERATION:

13.1 The NR Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and SMP to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, KMP and SMP of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also 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:

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A. **Managing Director/Whole-time Director**

1. The compensation paid to the executive directors (including Executive Chairman) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act, 2013.

2. Besides the above criteria, the remuneration/ compensation/ commission etc to be paid to Managing Director / Whole-time Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

B. **Non-executive Directors**

1. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. Sitting fee shall be paid as may be decided by the Board for attending each Board meeting and Committee(s) meeting thereof.

2. Payment or reimbursement of such fair and reasonable expenditure, as may have been incurred while performing role as an Independent Director of the Company, which could include reimbursement of expenditure for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for its Directors, subject to prior consultation with Board, in the furtherance of duties as an Independent Director.

3. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the NR Committee and approved by the Board or shareholders, as the case may be.

4. An Independent Director shall not be eligible to get Stock Options, if any, and also shall not be eligible to participate in any share-based payment schemes of the Company.

C. **KMPs / Senior Management Personnel etc.**

1. The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

3. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

14. MEMBERSHIP

14.1 The composition of the Committee shall be in compliance with the provisions of the Companies Act, 2013.

1. The NR Committee shall comprise three or more non-executive Directors out of which not less than one-half shall be independent directors.

2. Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairman of the NR Committee.

3. In the absence of the Chairperson, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.

4. Chairperson of the NR Committee meeting may be present at the annual general meeting of the Company or in his absence, may nominate some other member to answer the shareholders' queries.

14. FREQUENCY OF MEETINGS

14.1 The meetings of NR Committee shall be held at such regular intervals as may be required.

15. VOTING

15.1 Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

15.2 In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

16. COMMITTEE MEMBERS' INTERESTS

16.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

16.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

17. DISSEMINATION OF POLICY

17.1 This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company.

18. AMENDMENT(S)

18.1 This Policy may be reviewed, amended or substituted by the Board on the recommendation of the NR Committee as and when required and where there are any statutory changes necessitating any change in the Policy. Any subsequent notifications, circulars, guidelines or amendments under the Act and the SEBI Listing Regulations as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this Policy.

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