



## CEIGALL INDIA LIMITED

### NOMINATION AND REMUNERATION POLICY

#### 1. PREAMBLE

Nomination and Remuneration Policy (“**Policy**”) has been formulated by Ceigall India Limited (“**Company**”) in compliance with Section 178 of the Companies Act, 2013, as amended and Regulation 19 read with Part- D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI LODR Regulations**”) as amended and applies to the following categories of Directors and employees of the Company:

Part B - Key Managerial Personnel;

Part C - Non-executive Directors / Independent Directors; and Part D - Senior Management and other employees.

The Board (defined below) adopted the Policy at its meeting held on 02<sup>nd</sup> March, 2024, which can be amended from time to time. Part A contains general provisions applicable to Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. Part B, Part C, and Part D consist of specific provisions in relation to Key Managerial Personnel, Non-executive Directors/Independent Directors, Senior Management, and other employees, respectively.

#### 2. SCOPE

The Policy aims to ensure that the persons appointed as Directors (including Independent Directors), Key Managerial Personnel, and Senior Management possess requisite qualifications, experience, expertise, and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

The Policy has been developed and implemented by the Nomination and Remuneration Committee (“**NRC**”) and is applicable to Directors, Key Managerial Personnel, Senior Management, and other employees of the Company.

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#### 3. DEFINITIONS

- “**Act**” means the Companies Act, 2013, as amended read with the rules, clarifications, circulars, and orders issued thereunder from time to time including any modification or re-enactment thereof.
- “**Board**” means the Board of Directors of the Company.
- “**Independent Director**” means an Independent Director of the Company appointed in pursuance of the Act and SEBI LODR Regulations.
- “**Key Managerial Personnel**” or “**KMP**” means key managerial personnel as defined under sub-section (51) of section 2 of the Act.
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- “**NRC**” means Nomination & Remuneration Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the SEBI LODR Regulations.
- “**Other Employees**” means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- “**Rules**” means the rules framed under the Act.
- “**Senior Management**” shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act and Regulation 16(1)(d) of the Listing Regulations. For the purpose of the Policy, subject to Section 178 of the Act and Regulation 16(1)(d) of the Listing Regulations, all the personnel of

the Company reporting directly to the managing director and executive directors of the Company have been designated as 'Senior Management'.

- **"Stock Options"** means the options given or to be given by the Company as per the prevalent employees' stock option scheme/plans of the Company.
- Unless the context otherwise provides, terms not defined herein and used in the Policy, shall bear the same meaning as prescribed under the Act, the Listing Regulations, or any other relevant law.
- Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO, CS, etc.), his/her terms of appointment shall be governed by both Part B (Part II) and Part D of the Policy and in the event of any conflict, the more restrictive clause shall prevail.

#### **4. COMPLIANCES**

The terms/ process of appointment/ re-appointment and remuneration of the Directors and other employees covered under the Policy shall be governed by the provisions of the Act, Rules, SEBI LODR Regulations, other applicable laws and policies and practices of the Company.

#### **5. DISCLOSURES**

Disclosure about the Policy shall be made in compliance with the applicable laws.

#### **6. REVIEW / AMENDMENT**

Based on the recommendation of the NRC, the Board may amend, abrogate, modify, or revise any or all clauses of the Policy in accordance with the Act, SEBI LODR Regulations, and/or any other applicable law or regulation. However, amendments in the Act or SEBI LODR Regulations shall be binding even if not incorporated in the Policy.

## PART A

### GENERAL PROVISIONS APPLICABLE TO DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, AND OTHER EMPLOYEES OF THE COMPANY

#### **1. GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, AND OTHER EMPLOYEES OF THE COMPANY**

The prospective Director, KMPs, Senior Management, or employee:

- I. Should be a reasonable person with integrity and ethical standards.
- II. Should meet the requirements of the Act, the SEBI LODR Regulations, and other applicable laws for the time being in force.
- III. Should have the requisite qualifications, skills, knowledge, experience, and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, human resources, sales, administration, research, corporate governance, manufacturing, international operations, public service, finance, accounting, strategic planning, risk management, supply chain, science and technology, marketing, law or any other area considered necessary by the Board/NRC.
- IV. Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community, and for the protection of the environment.
- V. Is expected to:
  - a) Uphold ethical standards of integrity and probity.
  - b) Act objectively and constructively while exercising his/her duties.
  - c) Exercise his/her responsibilities in a bonafide manner in the interest of the Company.
  - d) Devote sufficient time and attention to informed and balanced decision-making.
  - e) Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making.
  - f) Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
  - g) Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
  - h) Assist the Company in implementing the best corporate governance practices.
  - i) Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
  - j) Have the ability to read and understand financial statements.
  - k) Protect the confidentiality of the confidential and proprietary information of the Company.
- VI. NRC has the discretion to decide whether qualification, expertise, experience, and attributes possessed by a person are sufficient/satisfactory for the concerned position.

#### **2. GENERAL POLICY OBJECTIVES IN RELATION TO REMUNERATION**

In discharging its responsibilities, the NRC shall have regard to the following policy objectives:

- i) To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- ii) To attract and retain and motivate competent individuals;
- iii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv) To plan short and long-term incentives to retain talent;
- v) To ensure that any severance benefits are justified;
- vi) To ensure that the remuneration of the Directors (including Independent Director), KMPs, Senior Management, and other Employees is based and determined on the basis of individual's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any, including that the remuneration to be paid to the Managing Director, Chief Executive Officer (if any) and/or whole-time Director shall be in accordance with the provisions of the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.
- vii) To ensure that individual remuneration packages for Directors, KMPs, Senior Management, and other Employees are

determined after taking into account relevant factors, including but not limited to:

- Qualification and experience,
- Level of engagement in the affairs of the Company,
- Market conditions,
- Financial and commercial health of the Company,
- Practice being followed in comparable companies,
- Prevailing laws and government/other guidelines.

viii) The remuneration/compensation/commission etc. to be awarded to the Directors, KMPs and Senior Management will be determined by the NRC and recommended to the Board for approval.

ix) Increments to the existing remuneration/compensation structure of other employees including the functional heads will be jointly decided by the Managing Director, Chief Executive Officer (If any), and Head- Human Resources (by whatever name called).

**PART B**  
**KEY MANAGERIAL PERSONNEL**

**PART I**  
**MANAGING DIRECTOR / WHOLE-TIME DIRECTORS (“EDs”)**

**OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience, and attributes for appointment as Executive Directors (EDs).
- The remuneration payable to the EDs is commensurate with their qualification, experience, and capabilities and considers the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, the performance of the business, and the Company.
- The remuneration payable to the EDs is comparable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size, and complexity.

**SPECIFIC QUALIFICATIONS AND ATTRIBUTES**

In addition to the qualifications and attributes specified in ‘General Qualifications and Attributes’ above, the prospective Director satisfies the criteria set out under the applicable law including the Act and the SEBI LODR Regulations for eligibility to be appointed as ED.

**PROCESS OF APPOINTMENT AND REMOVAL**

**Appointment**

- NRC shall identify suitable persons for an appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider the recommendations of NRC and approve the appointment and remuneration, subject to the approval of the shareholders of the Company.

**Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules, or under any other law, rules, and regulations, code of conduct, and/ or policies of the Company, NRC shall recommend to the Board his/her removal from the services of the Company, subject to the provisions and compliance of the Act, rules, and regulations.

**COMPONENTS OF REMUNERATION/ INCREMENTS**

- Remuneration shall consist of:
  - a) Fixed remuneration including perquisites and allowances, retiral benefits (like provident fund/gratuity/superannuation/leave encashment, etc.), and other benefits as per the policy of the Company.
  - b) Commission/Variable pay to the Managing Director/Whole-Time Director(s) based on the performance of the individual, business, and the Company as a whole and/or net profit of the Company, as the case may be.
  - c) No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
  - d) Stock Options as per terms of the prevalent Stock Options Plan, if eligible.
  - e) Any other incentive as may be applicable.

The remuneration / commission / variable pay etc. to be paid to EDs will be determined by the Committee and recommended to the Board for approval and shall be subject to the approval of the Shareholders. The remuneration and commission/variable pay to be paid to the EDs shall be in accordance with the provisions of the Act, and the rules made thereunder.

- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of EDs.

## PART II

### CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, AND OTHER KMPs

#### OBJECTIVES

- Identify persons who possess appropriate qualifications, experience, and attributes for appointment as Chief Financial Officer (“CFO”), Company Secretary (“CS”), and other Key Managerial Personnel (“KMPs”).
- The remuneration payable to CFO, CS, and KMPs is commensurate with his/ her qualification, experience, and capabilities and takes into account the past performance and achievements of such individuals. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size, and complexity.
- A suitable component of their remuneration is linked to his/ her performance, the performance of the business, and the Company.

#### QUALIFICATIONS AND ATTRIBUTES

- Should be a reasonable person with integrity and ethical standards.
- Have requisite qualifications and experience as may be relevant to the task he/ she is expected to perform. NRC/ Board has the discretion to decide whether qualification, expertise, experience, and attributes possessed by the person are sufficient/ satisfactory for the concerned position.

#### PROCESS OF APPOINTMENT AND REMOVAL

##### Appointment

- Appointment of CFO, CS, and other KMPs (including terms and remuneration) shall be approved by the Board on the recommendation of NRC.
- Where a KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.

##### Removal

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules, or under any other applicable law, rules, and regulations, Code of Conduct, and/ or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

#### ELEMENTS/ COMPONENTS OF REMUNERATION

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like provident fund/ gratuity/ superannuation/leave encashment, etc.), and other benefits as per the policy of the Company.
- Variable remuneration based on the performance of the individual, the function, and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan(s).
- Any other incentive as may be applicable.

#### ANNUAL APPRAISAL AND INCREMENT

Appraisal and increment of KMPs who are designated as Senior Management Employees shall be recommended by NRC for approval of the Board. For other KMPs, appraisal, and increment shall be done by the Managing Director of the Company. The following shall be taken into account for appraisal and increment:

- Individual’s performance against Key Performance Indicators.

- The performance of:
  - individual;
  - business function handled by the individual; and
  - Company.
- The prevalent rate of increments given by companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

## **PART C**

### **NON-EXECUTIVE DIRECTORS/ INDEPENDENT DIRECTORS**

#### **OBJECTIVES**

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the SEBI LODR Regulations and possess appropriate qualifications, experience, and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive / Independent Directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size, and complexity.

#### **SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS**

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet the requirements of Schedule IV to the Act and the Listing Regulations.

#### **PROCESS OF APPOINTMENT AND REMOVAL**

##### **Appointment**

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve the appointment and remuneration of Non-executive and/or Independent Directors subject to the approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

##### **Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules, and regulations, Code of Conduct and/or Policies of the Company, NRC shall recommend to the Board for removal of the appointee from directorship of the Company.

#### **ELEMENTS/ COMPONENTS OF REMUNERATION**

- Variable remuneration - Commission - As a percentage of the net profits of the Company as approved by the Board and/ or shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as recommended by NRC and approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.
- Stock Options as per terms of prevalent Stock Options Plan(s) (if any). Independent Directors will not be entitled to Stock Options.



## **PART D**

### **SENIOR MANAGEMENT & OTHER EMPLOYEES**

#### **OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience, and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and Other Employees is commensurate with their qualifications, experience, and capabilities and considers their past performance and achievements. Remuneration payable to them is comparable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of the nature of business, size, and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to the performance of such individual employee, the performance of the business, and the Company as per the HR Policy of the Company.

#### **QUALIFICATIONS AND ATTRIBUTES**

- Should be a reasonable person with integrity and ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he/she is expected to perform.
- NRC has the discretion to decide whether qualification, expertise, experience, and attributes possessed by a person are sufficient/satisfactory for the concerned Senior Management position.
- Other Employees: Qualification, expertise, experience, and attributes will be determined by the Management as per the HR Policy of the Company.

#### **PROCESS OF APPOINTMENT AND REMOVAL**

##### **Appointment**

- NRC shall identify suitable persons for appointment in the Senior Management and recommend to the Board their appointment along with the terms of appointment and remuneration.
- The Board will consider the recommendation of NRC and approve the appointment along with the terms of appointment and remuneration.
- Appointments to positions other than Senior Management will be made as per the Company's HR policy.

##### **Removal**

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules, and regulations, Code of Conduct, and/ or Policies of the Company, the Board may remove such employee from the services of the Company, on recommendation of NRC.
- In the case of Other Employees, the Management of the Company may terminate the services of such employees as per the HR Policy of the Company.

#### **ELEMENTS/ COMPONENTS OF REMUNERATION**

Remuneration and other perquisites/ facilities (including loans/ advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like provident fund/ gratuity/ superannuation/leave encashment, etc.), and other benefits as per the policy of the Company.
- Variable remuneration based on the performance of the individual, the function, and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan(s).
- Any other incentive as may be applicable.

### **ANNUAL APPRAISAL AND INCREMENT**

Appraisal and increment for the Senior Management shall be recommended by NRC for approval of the Board and for other employees, by the Senior Management or any other appropriate authorities after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the:
  - individual;
  - business function handled by the individual; and
  - Company.
- The prevalent rate of increments given by the companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employee category.