

PODDAR PIGMENTS LIMITED

NOMINATION AND REMUNERATION POLICY

[Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Introduction:

In pursuance of Section 178 of the Companies Act, 2013 and the rules framed thereunder (as amended from time to time) (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the “SEBI Listing Regulations”). This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

2. Definitions:

- **Board:** Board means Board of Directors of the Company.
- **Director:** Director means Directors of the Company.
- **Committee:** Committee means Nomination and Remuneration Committee of Board of Directors of the Company as constituted or reconstituted by the Board, from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- **Company:** Company means “Poddar Pigments Limited”.
- **Independent Director:** means a Director referred to in Section 149 (6) of the Companies Act, 2013 read with the rules made thereunder and the SEBI Listing Regulations.
- **Key Managerial Personnel:** Key Managerial Personnel (KMP) means-
 - (i) The Chief Executive Officer or the Managing Director or the Manager;
 - (ii) The Company Secretary;
 - (iii) The Whole-Time Director;
 - (iv) The Chief Financial Officer; and
 - (v) Such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
 - (vi) Such other officer as may be prescribed under the applicable statutory provisions/regulations.
- **Senior Management:** The expression “senior management” shall mean the officers and personnel of the Company 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 (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- **Policy:** Policy means Nomination and Remuneration policy of the Company.

3. Objective and Roles of the Committee:

The objective of the policy is:

- i. 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.
- ii. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. That 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.

The Roles of the Committee is:

- 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;
- b) 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.
- c) Formulation of the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- d) Devising a policy on diversity of Board of Directors;
- e) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- f) Recommendation to Board of Directors, 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;
- g) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- h) Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- i) Carry out any other function as mandated by the Board of Directors from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

4. Applicability:

The Policy is applicable to

- Directors (Executive and Non-Executive);
- Key Managerial Personnel;
- Senior Management Personnel; and
- This Remuneration Policy shall also apply to all future/continuing employment/engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

5. General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director (including Independent Director), KMP or at Senior Management level and accordingly recommend to the Board his/her appointment.
- ii. The Company should ensure that the person so appointed as Director/Independent Director/KMP/shall not be disqualified under the Companies Act, 2013, read with the rules made thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

- iii. 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, read with the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
- iv. Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Act, read with Schedule IV and Rules thereunder and the SEBI Listing Regulations, as amended from time to time.

6. Term/Tenure:

Managing Director/Whole-Time Director

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or 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.

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 of upto maximum of 5 years each 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.

7. Removal:

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 Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

8. Criteria for Evaluation of Directors, the Board and its Committees:

Following are the Criteria for evaluation of performance of Directors, the Board as a Whole and its Committees:

1. Directors :

- Appropriateness of qualification, knowledge, skills and experience.
- Time devoted to Board deliberations and participation level in Board functioning.
- Extent of diversity in the knowledge and related industry expertise.
- Attendance and participations in the meetings and workings thereof.
- Initiative to maintaining high level of integrity and ethics.

2. The Board as a Whole:

- Development of suitable strategies and business plans.
- Size, structure and expertise of the Board.
- Efforts to learn about the Company and its business.
- Obligations and Governance.

3. Committees of the Board :

- The Committees of the Board are appropriately constituted.
- The Committees has an appropriate number of meetings each year to accomplish all of its responsibilities
- The Committees maintains the confidentiality of its discussions and decisions.
- The Committee conducts a self-evaluation at least annually.
- Committee makes periodically reporting to the Board along with its suggestions and recommendations.

9. Manner For Effective Evaluation of performance of Board, its Committees and Individual Directors:

- The Independent Directors shall in their separate meeting, review the performance of non-independent Directors, the Board as a whole and performance of Chairperson taking into account the views of executive directors and Non-Executive Directors which shall be apprised to the Board of Directors.
- The Nomination and Remuneration Committee and the Board shall evaluate the performance of the Committees which are required to be constituted as per the provisions of the Companies Act, 2013, the Board as a whole, of individual Directors.
- The Board shall take note of the evaluation done by the NRC and Independent Directors and take necessary actions required, if any.

10. Policy on Board Diversity:

The Board of Directors shall have the optimum 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.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least some members who are financially literate.

11. Remuneration to Directors/Key Managerial Personnel/Senior Management Personnel etc. :

The Committee will recommend the remuneration to be paid to the Director, KMP's and Senior Management Personnel to the Board for their approval and it shall be in accordance with the provisions of Companies Act, 2013 read with the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management 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:

1. Director/Managing Director/Whole-Time Director

Besides the above Criteria, the Remuneration/compensation/commission etc. to be paid to Director/Managing Director/Whole-Time Director etc. shall be governed as per provisions of the

Companies Act, 2013 read with the rules made thereunder, the SEBI Listing Regulations or any other enactment for the time being in force and the approvals obtained from the Members (wherever required) of the Company.

2. Non-Executive Independent Directors

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Further Independent Director shall not be entitled to any stock option of the Company.

3. KMPs/Senior Management Personnel etc.

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

12. Amendments to the Policy:

The Board of Directors on its own and/or as per the recommendations of Committee can amend this policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Amended in the Board Meeting held on 5th August, 2023.
