

## **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is a revision of our earlier Policy of 2018.

The Nomination and Remuneration Policy (“the Policy”) applies to the following:

- i. The Board of Directors (“**Board**”);
- ii. The Key Managerial Personnel (“**KMP**”) and Senior Management Personnel (“**SMP**”)

### **1. Definitions**

- a. ‘Committee/NRC’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- b. ‘Company’ means Saurav Chemicals Limited.
- c. ‘Independent Director’ means a Director referred to in Section 149(6) Act and rules.
- d. ‘Key Managerial Personnel (KMP)’ means:
  - i) the Managing Director or Chief Executive Officer or Manager
  - ii) Whole-time Director
  - iii) the Company Secretary
  - iv) the Chief Financial Officer; and
  - v) Any other person as defined under the Act from time to time
- e. Senior Management means officers/personnel of the Company who are members of its core management team.

### **OBJECTIVE:**

The objective of the policy is to ensure that:

- The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Remuneration to Directors, KMP and SMP 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.

### **COMMITTEE COMPOSITION:**

- The committee shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Chairman of the Board (whether executive or non-executive) may be appointed as a member of the committee but shall not chair the committee.
- The Company Secretary of the Company shall act as the secretary to the committee.

### **ROLE OF THE COMMITTEE:**

The role of the NRC will be:

- To formulate criteria for determining qualifications, positive attributes, and Independence of a Director.
- To formulate criteria for the evaluation of Directors as well as the diversity, size and composition of the Board.
- To identify persons who are qualified to become Directors and who may be appointed as KMP in accordance with the criteria laid down in this policy.

- To recommend to the Board the appointment and removal of Directors and KMP.
- To recommend to the Board the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and their succession planning.

#### **APPOINTMENT AND REMOVAL OF THE DIRECTOR, KMP AND SMP**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise, and experience of the person for appointment as Director and KMP or at SMP level and recommend his / her appointment, as per Company's Policy.
- b) The Company shall not appoint or continue the employment of any person as a 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 or any other requirement as may be prescribed by the Act.

#### **(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:**

##### **1. Qualifications:**

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

##### **2. Positive attributes:**

An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise their responsibilities in a bona-fide manner in the interest of the Company; balanced decision making; and assist the Company in implementing the best corporate governance practices.

##### **3. Criteria of Independence:**

An Independent director should meet the requirements of the Companies Act, concerning the independence criteria.

#### **(II) Remuneration Policy for Directors, Key Managerial Personnel and SMP's**

##### **A. Managing Director and Whole Time Directors**

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, 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 and the approvals obtained from the Members of the Company. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate regarding their remuneration.

##### **B. Non-Executive Directors (NEDs)/ Independent Director (IDs)**

NEDs/IDs may receive sitting fees (if any) and such other remuneration/commission as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and shareholders wherever applicable.

### **C. KMP & SMP**

Remuneration to Key Managerial Personnel and Senior Management will 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.

#### **(III) Evaluation of Board Structure and Performance:**

The Nomination and Remuneration Committee shall review yearly or at such intervals as may be considered necessary the structure, size and composition (including the skills, knowledge and experience) of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to Board diversification and succession planning.

The Committee may at its discretion delegate appropriate powers to the CMD and /or the Executive Director to facilitate ease of operating this Policy.

### **DISCLOSURE**

Keeping in spirit with SCL's standards of governance and transparency, necessary disclosures regarding the appointment and remuneration of Directors and KMP shall be made as per requirements of the Companies Act 2013. Such disclosures may be made in the annual report, notice to shareholders, regulatory filings, etc.

### **REVIEW OF POLICY**

The Board Governance, Nomination and Compensation Committee may review the Policy from time to time and recommend necessary changes to the Board for approval, due to changes in applicable laws or otherwise as may be required.

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THE NOMINATION AND REMUNERATION POLICY WAS APPROVED ON THIS 2<sup>ND</sup> FEBRUARY 2023 BY THE COMMITTEE

Sd/-

**Chairman of the Committee**