

NOMINATION & REMUNERATION POLICY

1. INTRODUCTION

The Nomination & Remuneration Policy ("Policy") of Alankit Limited ("Company") is formulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") and other applicable laws (hereinafter referred to as the "Applicable Laws").

2. APPLICABILITY

This Policy is applicable to:

- Directors (Executive, Non-Executive and Independent)
- Key Managerial Personnel (KMP)
- Senior Management Personnel
- Other employees as may be decided by the Committee ("NRC")

3. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Key Objectives of the Committee would be:

- 3.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (Whole-time/non-executive/independent) of the Company ("Director");
- 3.2 To recommend candidates for appointment as Directors, KMP and Senior Management;
- 3.3 To establish and review succession plans of the Board of Directors of the Company ("Board"), KMP and Senior Management;
- 3.4 To recommend policy relating to appointment and removal of Directors, KMP and Senior Management.
- 3.5 To recommend policy relating to the remuneration of the Directors, KMP and Senior Management/ other employees to the Board.
- 3.6 To review and approve corporate goals and objectives relevant to the compensation of the whole-time directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board),
- 3.7 To determine and approve whole-time Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

4. TERMS & REFERENCES

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

- a. **Company** means Alankit Limited.
- b. **Director** means a director appointed to the Board of the Company.
- c. **Board** means Board of Directors of the Company.
- d. **Key Managerial Personnel (the “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 as may be prescribed under the Companies Act, 2013.
- e. **NRC/Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.
- f. **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961.
- g. **Senior Management** “senior management” 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 (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 persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity. **(As Defined In Regulation 16(1) Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Third Amendment) Regulations, 2024)**

In this regard Senior Management of Alankit Limited, includes all the designations given to Business and Functional heads.

The words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations or the Accounting Standards shall have the meanings assigned to them.

5. RESPONSIBILITIES OF THE COMMITTEE

The Nomination and Remuneration Committee is responsible for:

- a. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b. Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position;
- c. Assessing the independence of Independent Directors;
- d. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder.
- e. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g. Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- Remuneration of executive Directors to be presented for shareholders' approval including severance, if any;
- Individual and total remuneration of non-executive Directors and the chairperson (if non-executive), including any additional fees payable for membership of Board committees;
- the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts.

6. POLICY FOR APPOINTMENT AND OTHER MATTERS OF DIRECTORS, KMP AND SENIOR MANAGEMENT

A. Appointment criteria and qualifications

Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of Directors, KMP and senior management are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee shall consider the following:

- a. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
- b. A person to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- c. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- d. All the appointment and reappointments shall be made in accordance with the requirement stated under Companies Act, 2013, SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and any other relevant act (including any statutory modification or re-enactment thereof for the time being in force).

B. Term / Tenure

Managing Director / Whole-time Director

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

Independent Director

An Independent Director shall be appointed in terms of Section 149 of the Companies Act, 2013 and 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, 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. 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 applicable regulations in force.

C. Removal of a Director, KMP or Senior Management

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

D. Retirement

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company as permissible under the applicable laws.

E. Provisions with respect to Non-Executive Directors

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In addition to that, pursuant to **SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (THIRD AMENDMENT) REGULATIONS, 2024**, the Company shall ensure compliance with Regulation 17(1A) at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy-five years.

7. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KMP AND SENIOR MANAGEMENT

- A.** The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
- B.** The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- C.** 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 Managing Director/ Whole-time Director.
- D.** The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders' interests, through a continued focus on the Company's sustainable, long term performance. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management Personnel, and which shall be decided based on qualification and experience etc. as he may consider necessary in the best interests of the Company.

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.

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

E. Minimum remuneration to Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

F. Remuneration to Non-Executive / Independent Directors

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of 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.

b) 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 Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

G. Succession planning for appointment of Directors, KMPs/SMPs:

According to Regulation 17(4) of the Listing Regulations, the Board is required to ensure that succession plans for the Board and SMP are in place.

Accordingly, the NRC has formulated the following criteria and related procedures:

- a) The NRC shall identify suitable persons based on the criteria of the Company and the vacancy that has arisen, for the position of Director, Independent Director and/ or KMP.
- b) NRC shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re- appointed as a Director, Independent Director and/ or KMP based on their educational qualifications, relevant experience and track record, and any other criteria, as necessary under the internal policies of the Company, the Act and the Listing Regulations. All appointments or reappointments of persons falling within the applicability of this Policy shall be subject to prior recommendation by NRC.
- c) The appointment, re-appointment or removal of the person at the Board and KMP level shall be recommended by NRC and approved by the Board.

8. MONITORING EVALUATION

The Nomination and remuneration Committee shall evaluate the performance of the Directors and the overall Board broadly in accordance with Policy on performance evaluation of Board of Directors, Committees and Independent Directors of the Company.

9. POLICY REVIEW

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges as amended from time to time.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

Note: In case of any ambiguity arising in any matter shall be dealt with by the committee and appropriate decision will be taken.