

Nomination and Remuneration Policy

The Board of Directors of Mafatlal Industries Limited ("the Company") constituted the Nomination and Remuneration Committee in terms of the provisions of the Companies Act, 2013, consisting of three (3) Independent Non-Executive Directors.

The Policy is framed and amended pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the amendments made thereto. ("SEBI (LODR) Regulations")

1. OBJECTIVE:

The Nomination and Remuneration Committee ("the Committee or NRC") and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, as amended from time to time. The Key Objectives of the Committee would be:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend the Board their appointment as Independent Directors. Non-Executive Directors. Executive Directors, Key Managerial Personnel (KMPs) and Officers of Senior Management who are entrusted with the responsibilities for the achievement of strategic goals and operational performance of the Company.
- To recommend to the Board on Remuneration payable to the Directors, KMPs and Officers of the Senior Management from time to time.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- To devise a policy on Board diversity.
- To develop a succession plan for the Board and periodically review the same.
- To specify the manner of effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance.

2. DEFINITIONS:

- **Act** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- **Board** means Board of Directors of the Company.
- **Directors** mean Directors of the Company.
- **Key Managerial Personnel (KMP) means:**

KMP as defined under the Act and SEBI (LODR) Regulations 2015.

- **Senior Management** as defined under the Act and SEBI (LODR) Regulations.

3. ROLE OF COMMITTEE

The Committee shall:

- 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 the directors, Key Managerial Personnel and other employees.
- 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:

- a. Use the services of an 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.
- Recommend to the Board, on any appointment of Director, KMP and Senior Management Officers.
 - Formulation of criteria for evaluation of Independent Directors and the Board.
 - The Committee will ensure that necessary compliance to the SEBI (LODR) Regulations, / Actor such other regulations as may be applicable from time to time will be followed by the Company.

4. REMOVAL OF DIRECTORS/KMP/OFFICERS

In exceptional circumstances, due to reason of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. RETIREMENT OF DIRECTORS/KMP/OFFICERS

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, KMPs, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. REMUNERATION FOR THE KMPs AND SENIOR MANAGEMENT PERSONNEL

General:

- a) The remuneration/ compensation / commission etc. to the KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The Board may grant authority to the Chairman and Managing Director to decide the remuneration/ compensation / commission etc. for the KMPs and Senior Management Personnel. The remuneration/ compensation / commission etc. to Managing Director and Directors shall be subject to the prior/post approval of the shareholders of the Company as per the provisions of the Act.
- b) The remuneration and commission to be paid to the Managing / Executive / Whole-time Director shall be in accordance with the provisions of the Act.
- c) **Provisions for excess remuneration:**

If any Managing / Executive / Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the requisite approval, where required, the Committee shall ensure that refund of such sums to the Company expeditiously. The Committee shall not waive recovery of such sum refundable to the Company unless approved by the

Company by special resolution within two years or any lesser period as decided by the Company from the date the sum becomes refundable.

d) Stock Options

Stock Options may be granted to eligible Managing/ Executive Director/ KMPs / Senior Management and such other Employee as may be applicable as per SEBI (ESOS) Guidelines or SEBI (Share Based Employee Benefit) Regulations, 2014.

Remuneration to Non- Executive/ Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the approval of the Board of Directors, Members of the Company and as per the provisions of the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such other higher amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit as approved by the Members/Shareholders and within the maximum limit of the applicable provisions of the Act prevailing from time to time.

e) Stock Options:

The Committee shall ensure that all restrictive clauses of the stock options scheme are complied with from time to time with regard to the grant of stock options to all Non-Executive Directors, if any ESOP is granted by the Company.

7. CONSTITUTION OF NRC

- The Committee shall consist of a minimum 3 non-executive directors and at least two third of them being independent directors.
- The quorum for the Committee meeting shall be either 2 members or one -third of the Members, whichever is greater, including at least one Independent Director in attendance or quorum as may be prescribed from time to time by the Regulatory Authorities.
- Composition of the Committee shall be disclosed in the Annual Report.

8. CHAIRPERSON

- Chairperson of the Committee shall be an Independent Director unless otherwise permitted by the provisions of the Act or SEBI (LODR) Regulations from time to time.
- The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- The Committee shall strive that the Chairperson of the Nomination and Remuneration Committee meeting be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

9. POWERS OF THE BOARD

The Board shall have power and discretion to accept or reject all or any of the Recommendations of the Committee.

10. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

11. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

12. AMENDMENT

Save and except the Policy may be reviewed so as to fall in line with the relevant changes / amendments in the provisions of the Act and the Rules framed thereunder and the provisions of the SEBI (LODR) Regulations.

Approved by the Board on 2/8/2024 and disseminated on the website of the Company.