

S CHAND AND COMPANY LIMITED

Nomination and Remuneration Policy

The Company in compliance with Section 178 of the Companies Act, 2013 and Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time has formulated the Nomination and Remuneration Policy (“Policy”). This Policy has been designed to attract, motivate and retain directors and employees, improve their productivity and encouraging initiatives and their personal growth besides offering them appropriate remuneration and superannuation benefits.

The Policy reflects the Company’s objectives for good corporate governance as well as sustained long term value creation for shareholders. This Policy applies to Directors, Key Managerial Personnel’s and other Senior Management Personnel’s of the Company.

1. OBJECTIVE

- a) To lay down criteria to identify persons who are qualified to become Directors, Key Managerial Personnel’s and Senior Management Personnel’s;
- b) To carry out evaluation of the performance of Directors, Key Managerial Personnel’s and Senior Management Personnel’s;
- c) To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons;
- d) To determine remuneration based on the Company’s size and financial position, cost of living, and trends and practices on remuneration prevailing in peer companies; and
- e) To strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company

2. DEFINITION

- i. “Act” means the Companies Act, 2013 and rules framed there under, as amended from time to time;
- ii. “Board” means Board of Directors of the Company;
- iii. “Directors” mean Directors of the Company;
- iv. “Key Managerial Personnel” means;

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- (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
 - (vi) such other officer as may be prescribed;
- v. **“LODR Regulations”** means Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- vi. **“Nomination and Remuneration Committee”** means the Nomination and Remuneration Committee of the Board;
- vii. **“Policy”** means this Nomination and Remuneration Policy as amended by the Board from time to time;
- viii. **“Senior Management Personnel”** means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the [chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer);

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them therein.

3. Role and Responsibilities of Nomination and Remuneration Committee (“Committee”)

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- b) To recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and senior management;
- c) To identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;

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- d) To 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;
- e) To recommend to the Board, appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel;
- f) To recommend to the Board remuneration, in whatever form, payable to Directors, Key Managerial Personnel and Senior Management Personnel;
- g) To review and recommend to the Board share based incentive plan for the employees of the Company, if any;
- h) Monitoring and evaluation of implementation of this Policy

4. Principles for identification and selection of Independent Directors

Committee while identifying and recommending a person for appointing him/her as an independent director shall ensure that such person:

- a) possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business;
- b) fulfil the criteria provided for independent directors under the Act and LOADR; and
- c) has no conflict of interest with his/her duties

5. Principles for identification and selection of Key Managerial Personnel and Senior Management Personnel

Identification and selection of Key Managerial Personnel and employees who are part of senior management will be done on the basis of below parameters by the concerned interview panel of the Company:

- Candidate should be educationally qualified for the role for which he/she is being appointed;
- Candidate should have necessary skills (leadership skill, communication skills, managerial skills);
- Candidate should have relevant work experience for the job;

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- Candidate should have good business acumen;
- He/she should be intelligent & fast learner, Good Leader, Organizer & Administrator, Good Analytical skills Creative & Innovative;
- Should have strong interpersonal skills;
- Should be flexible & adaptable;
- Potential for growth and the ability and willingness to take on more responsibility;
- Candidate's seriousness about working for the long term;
- Should have vision & aim;
- Should be ethical, honest, team player;
- Positive background reference check.

6. Removal

Based on the yearly evaluation of directors, the Committee shall recommend the reappointment/ removal of any Director to the Board. In addition, due to any disqualification mentioned in the Act or in any other applicable law, Committee may recommend the removal of Director or Key Managerial Personnel or senior management.

7. Retirement

The Director, Key Managerial Personnel and employees part of senior management shall retire as per the applicable provisions of the Act and the prevailing retirement policy of the Company. The Board shall have the discretion to retain the Director/Key Managerial Personnel, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

8. General Policies for Remuneration

A. Remuneration/compensation of Executive Directors

- i. Remuneration/Compensation to Executive Directors shall be paid within the overall limits as provided in the Act. Remuneration on the recommendation of Committee shall be approved by the Board and wherever applicable approvals of shareholders and Central Governments will be taken.
- ii. Remuneration/compensation to Executive Directors (Managing Director and Whole-time Director) shall be divided into fix remuneration and variable remuneration. Fixed remuneration will be paid on monthly basis and variable remuneration will be paid on annual basis once variable component of remuneration is ascertained based on the performance of the Company.

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B. Remuneration/compensation of Non-Executive Directors

Remuneration to non-executive directors shall be paid in the form of sitting fees for attending meeting of Board and Committees of Board. Pursuant to the overall limits of the Act, the sitting fees to be paid, per meeting, as decided by the Board of Directors of the Company.

C. Remuneration/compensation of Key Managerial Personnel and Senior Management Personnel

- i. Remuneration of Key Managerial Personnel and Senior Management Personnel shall be divided into fix remuneration and variable remuneration. Fixed remuneration will be decided on the basis of the role and position of the individual, including professional experience, responsibility, job complexity and local market conditions. Fixed remuneration will be paid on monthly basis and variable remuneration will be paid on annual basis once variable component of remuneration is ascertained based on the individual performance and performance of the Company.
- i. Stock options may also be issued to Key Managerial Personnel and Senior Management Personnel on the basis of recommendation of the Committee. The Committee shall subject to provisions of applicable laws decide the conditions related to grant, vesting, exercise and pricing of stock options.

9. Review and Amendment

- i. The Committee or the Board may review the Policy as and when they deem necessary.
- ii. The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the Committee or by the Board as and when required.

10. Disclosure and Dissemination

- i. The salient features of the Policy alongwith web address shall be disclosed in the Board's report.
- ii. The Policy is also available on the website of the Company.

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- iii. The annual report of the Company would specify the details of remuneration paid to Directors.
- iv. The Company is required to publish its criteria of making payments to non-executive directors in its annual report. Alternatively, this may also be put up on the Company's website and reference be drawn in the annual report.