

NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy (“Policy”) of KSH International Limited (“KSH International” or “Company”) is formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) as amended from time to time.

This Policy applies to Directors, Senior Management including Key Managerial Personnel(‘KMPs’) of the Company.

1. OBJECTIVES OF POLICY

The key objectives of the Policy are:

- 1.1. To guide the Board in relation to appointment and removal of Directors (Non -Executive, Executive, Independent), Key Managerial Personnel and Senior Management.
- 1.2. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.3. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 1.4 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.5. To facilitate diversity of Board of Directors.

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel/ KMP** means,
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary;
 - 2.4.5. 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
- 2.5. **Senior Management** means Officers and personnel of the listed entity who are Members of its core management team, excluding Board of Directors and shall also comprise all members of 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.

3. ROLE OF COMMITTEE

3.1. Policy for appointment/ re-appointment and removal of Director, KMP and Senior Management

3.1.1. Appointment criteria and qualifications

a) The Committee shall ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is satisfactory for the concerned position.

c) The Committee shall ensure all Board appointments/re-appointments are based on merit, in the context of appropriate skills, experience, independence and knowledge, for the Board as a whole to be effective.

d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years or such other age for the purpose of superannuation as per the internal policy of the Company. 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

e) The Company shall not appoint or continue the employment of any person as Non-Executive Director who has attained the age of seventy-five years.

Provided that the term of the person holding this position may be extended beyond the age of seventy-five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy-year years.

3.1.2. Term / Tenure

a) Chairman/ Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its 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.

b) 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, 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 such number as may be prescribed under the applicable laws in force.

3.1.3. Removal

Due to reasons for 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, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.1.4. Retirement

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

3.2. Policy relating to the Remuneration for the Whole-time Director, KMP, Senior Management Personnel and Other Employees

3.2.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be aligned with the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company if any and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Whole-time Director wherever required.
- d) The remuneration / compensation to other employees will be determined as per the Company HR policies and will be in line with Company's performance considering overall Indian market trends from time to time. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Further, the remuneration/compensation shall be fixed pay or a mix of fixed and variable pay depending on role of the respective employee. Remuneration may also contain such other cash or noncash perquisites or components or grants or such other benefits permissible under various regulatory requirements from time to time.

3.2.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Overall Remuneration:

The remuneration is divided into fixed pay, variable pay & mandatory / voluntary retirement benefits. The division is based on fixed pay and variable pay component as per the respective grade. Mandatory / voluntary retirement benefits are applicable to all.

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Over and above the fixed and variable component the Whole-time Director/ KMP and Senior Management Personnel may also be eligible for other cash or non-cash perquisites or grants or components or such other benefits as per company policies and as permissible under various regulatory requirements from time to time.

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

If any 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, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it.

3.2.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, if any and 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 Lac per meeting of the Board or Committee or such 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 not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. BOARD DIVERSITY

Company recognises and embraces the importance of a diverse Board in its success. Company believes that a truly diverse board will leverage differences in thoughts, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure Company retains its competitive advantage.

Accordingly, the Nomination and Remuneration Committee is responsible for reviewing and assessing the composition of the Board. The Committee shall:

- a) assess the appropriate mix of diversity, skills, experience, and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- b) make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience, and expertise on the Board and
- c) report to the Board, if any requirement, in relation to the diversity of the Board.

5) SUCCESSION PLANNING:

The Committee shall establish and review succession plans of the Board, KMP and Senior Management in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board, KMP and Senior Management as per the Policy on Succession Planning for the Board of Directors and Senior Management uploaded on website www.kshinternational.com.

6) TRAINING

The Committee shall identify training and education programs for the Board/KMP/SMP to ensure that they are provided with adequate information regarding the business, the industry and their legal responsibilities and duties

7) REVIEW OF COMPENSATION & BENEFITS:

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

- a) 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 having regard to the need to:
 - i. attract and motivate talent to pursue the Company's long-term growth.
 - ii. demonstrate a clear relationship between executive compensation and performance.
 - iii. be reasonable and fair, having regard to best governance practices and legal requirements and

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- iv. balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals.
- b) the Company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements.

7. POLICY REVIEW / AMENDMENT

- a) This Policy is framed based on the provisions of the Applicable Laws.
- b) In case of any subsequent changes in the provisions of the Applicable Laws which makes any of the provisions in the Policy inconsistent with such provision of the Applicable Laws, then such provisions of the Applicable Laws would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with Applicable Laws.
- c) This Policy shall be reviewed by the Committee, as required from time to time. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board for their approval.
