

S R INDUSTRIES LIMITED

Nomination and Remuneration Policy
[Pursuant to Section 178 of the Companies Act, 2013
and Regulation 19 read with Para A, Part D of Schedule
II of SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015]

Nomination and Remuneration Policy

Preamble:

The Nomination and Remuneration Policy ("Policy") of [Company Name] ("the Company") has been formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Para A, Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The purpose of this Policy is to establish a framework for the nomination and remuneration of Directors, Key Managerial Personnel, and Senior Management of the Company. The Policy aims to ensure that the Company attracts, retains, and motivates high-caliber personnel, while also ensuring that the compensation and benefits provided are fair, reasonable, and aligned with the Company's objectives and performance.

This Policy is intended to provide a clear and transparent framework for the nomination and remuneration process, and to ensure compliance with applicable laws and regulations.

Objectives:

The objectives of this Nomination and Remuneration Policy are:

1. **Director and Key Personnel Appointment Criteria:** To establish criteria for identifying qualified candidates for Director (Executive and Non-Executive), Key Managerial Personnel, and Senior Management positions, enabling the Committee to recommend appointments and removals to the Board.
2. **Performance Evaluation:** To define criteria for evaluating the performance of the Board, its members, Board Committees, Key Managerial Personnel, and Senior Management, linking their performance to their effort, dedication, and achievements in relation to the company's operations.
3. **Remuneration Policy:** To outline the remuneration policy for Directors, Key Managerial Personnel, Senior Management, and other employees, ensuring fair and transparent compensation practices.
4. **Independence of Independent Directors:** To establish guidelines for assessing the independence of Independent Directors, ensuring their independence and objectivity in decision-making.
- 5 **Guiding the Board:** To guide the Board in relation to appointment and removal of Directors, and Senior Management.
6. **Ensuring Rationale:** To ensure rationale and transparent remuneration practices.
7. **Composition of the NRC Committee:** To determine the composition of the NRC Committee.

Overall, the NRC Policy aims to establish a framework for the nomination and remuneration of Directors, Key Managerial Personnel, and Senior Management, ensuring that the company attracts, retains, and motivates high-caliber personnel.

Definitions:

“Act” means the Companies Act, 2013 together with the rules and regulations formulated thereunder, as amended from time to time.

“Board” means the Board of Directors of S R Industries Limited.

“Company” means S R Industries Limited inclusive of its Registered Office and all Branch Offices.

“Chief Executive Officer” or “Managing Director” or “Manager” shall mean the person so appointed in terms of the Companies Act, 2013 and Listing Regulation.

“Key Managerial Personnel” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.

“Nomination and Remuneration Committee (NRC)” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961; and also includes:

- Salary
- Fees
- Commissions
- Stock options
- Pension
- Retirement benefits
- Other benefits in cash or kind.

“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.”

“Regulation” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment thereof.

All other words and expressions used and not defined in this Policy or the Regulation, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and / or the rules and regulations made thereunder, shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

Qualifications and Selection criteria for Directors, KMPs and Senior Management Personnel of the Company:

A. Independent Directors:

I. Criteria for Appointment

In addition to the general criteria, a person proposed to be appointed as an Independent Director should meet the following essential parameters:

- a. Compliance with the definition of Independent Director under Section 149 of the Companies Act, 2013, and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Possession of requisite qualifications, expertise, and experience as mentioned in Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- c. Compliance with statutory restrictions on the number of Boards on which an Independent Director can serve, to ensure that the individual can devote sufficient time and attention to the Company's affairs.
- d. Registration in the database maintained by the Indian Institute of Corporate Affairs, Manesar, to ensure that the individual has the necessary knowledge and skills.
- e. Completion of the online proficiency self-assessment test in accordance with Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to evaluate the individual's proficiency, if applicable.
- f. Evaluation by the Nomination and Remuneration Committee to ensure that the candidate possesses the required skills, knowledge, and experience to make valuable contributions to the Company.

II. Terms and Tenure

- a. Appointment, re-appointment, or removal of an Independent Director requires approval by shareholders through a special resolution, to ensure transparency and accountability.
- b. Independent Directors hold office for a term of up to 5 years and are eligible for re-appointment subject to passing a special resolution, to ensure continuity and stability.
- c. No Independent Director shall hold office for more than two consecutive terms, but may be re-appointed after a three-year cooling-off period, to ensure that the individual remains independent and objective.
- d. During the three-year cooling-off period, the Independent Director shall not be associated with the Company in any capacity, to prevent any potential conflicts of interest.
- e. Vacancies in Independent Director positions shall be filled in compliance with the updated requirements of the Act and LODR, to ensure that the Company remains compliant with regulatory requirements.

B. Directors:

The Nomination and Remuneration Committee shall identify and recommend individuals who are qualified to become Directors, based on the following criteria:

(i) **Financial and Business Acumen:** The ability to contribute to the Company's strategy, risk management, financial management, and governance, leveraging their financial and business skills and experience.

(ii) **Personal Qualities:** Demonstrated integrity, probity, and strong interpersonal and communication skills, with the ability to represent the Company effectively.

(iii) **Leadership Skills:** A proven track record of leadership, with the ability to inspire and motivate others.

(iv) **Contribution to Board Effectiveness:** The ability to contribute to the overall effectiveness of the Board, through active participation, constructive feedback, and independent judgment.

(v) **Independence and Conflict of Interest:** The absence of any conflicts of interest, and the ability to exercise independent judgment, free from any external influences.

(vi) **Time Commitment:** A willingness to devote sufficient time and attention to the Company's business, to discharge their responsibilities effectively.

At the time of appointment, the proposed appointee shall:

- Comply with the requirements of the number of Boards on which such Director serves, as applicable laws permit.
- Not be disqualified to become a director in terms of Sections 164, 165, 167, and provisions of the Companies Act, 2013, or under any other statutory provisions.

The appointment, removal, and terms of Directors shall be governed by the provisions of the Companies Act, 2013, and other statutory requirements.

C. Senior Management Personnel, Key Managerial Personnel and Other Employees:

The Company has established comprehensive job descriptions and specifications for all positions. The recruitment process for proposed appointees is based on these predefined job requirements.

When hiring new employees, the Company assesses candidates against a range of criteria, including but not limited to:

(i) **Technical Competence:** Job knowledge, relevant experience, ability, academic achievements, and qualifications.

(ii) **Performance Track Record:** Past performance, potential, maturity, customer focus, integrity, skills, and background.

(iii) **Personal Qualities:** Integrity, trustworthiness, effective communication, business acumen, interpersonal skills, teamwork, and collaboration.

(iv) **Strategic Contribution:** The extent to which the appointee is likely to contribute to the overall effectiveness, growth, and success of the organization.

(v) **Cultural Fit:** Alignment with the Company's values, vision, and mission.

The Company's recruitment process aims to attract, retain, and motivate high-caliber personnel who can drive business growth, innovation, and sustainability.

Evaluation of Directors, Senior Management and Key Managerial Personnel:

Pursuant to Section 149 of the Companies Act, 2013, read with Schedule IV of the said Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors shall convene a separate meeting to:

(i) Review the performance of Non-Independent Directors, assessing their contributions to the Board's deliberations and decision-making processes.

(ii) Evaluate the performance of the Board as a whole, considering its effectiveness in overseeing the Company's strategy, risk management, and governance practices.

(iii) Assess the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

The performance evaluation of Independent Directors shall be conducted by the entire Board of Directors, excluding the Director being evaluated. The evaluation shall encompass:

i) Assessment of the Director's performance, including their attendance, participation, and contributions to Board meetings and Committee deliberations.

ii) Evaluation of the Director's fulfillment of the independence criteria, as specified under the Companies Act, LODR, and their independence from the management.

The performance evaluation of Board Committees shall be undertaken by the entire Board of Directors.

The evaluation/assessment of the Directors, Board, Board Committees, Chairperson, Key Managerial Personnel, and senior officials of the Company shall be conducted on an annual basis. The Committee shall carry out the evaluation of performance of Directors, KMP, and senior management personnel at such intervals as may be considered necessary.

Additionally, the evaluation process shall:

- Be transparent, fair, and unbiased.
- Consider feedback from stakeholders, including shareholders, employees, and customers.
- Be aligned with the Company's strategic objectives and performance goals.
- Identify areas for improvement and development for Directors, KMP, and senior management personnel.
- Inform the Board's decisions on Director appointments, re-appointments, and removals.

A. Evaluation criteria for executive Directors:

The performance evaluation of Executive Directors shall be based on the following criteria:

- a. **Achievement of Targets and Responsibilities:** The Executive Directors shall be evaluated on their success in achieving the targets and responsibilities assigned to them by the Board from time to time.
- b. **Personal Abilities:** In addition to the achievement of targets and responsibilities, Executive Directors shall also be evaluated on the following personal abilities:
 - i. **Innovation and Creativity:** The ability to think creatively, develop innovative solutions, and drive business growth.
 - ii. **Integrity and Trust:** Demonstrated integrity, trustworthiness, and ethical behavior in all professional interactions.
 - iii. **Business Acumen:** A deep understanding of the business, including its operations, finances, and strategic direction.
 - iv. **Professional Courage:** The willingness to take calculated risks, challenge assumptions, and make tough decisions.
 - v. **Effective Communication:** The ability to communicate clearly, concisely, and persuasively with various stakeholders.
 - vi. **Initiative:** A proactive approach to work, with a willingness to take ownership and drive results.
 - vii. **Teamwork and Collaboration:** The ability to work effectively with others, build strong relationships, and foster a collaborative culture.
 - viii. **Customer Focus:** A customer-centric approach, with a deep understanding of customer needs, preferences, and expectations.
 - ix. **Global Mindset/External Focus:** A global perspective, with an understanding of the external environment, including market trends, competitors, and regulatory requirements.
 - x. **Continuous Improvement:** A commitment to ongoing learning, self-improvement, and process enhancement.

B. Evaluation criteria for Non-Executive Directors:

The performance evaluation of Non-Executive Directors shall be based on the following criteria:

- i. **Commitment to Directorial Obligations:**
 - a. Adherence to the terms and conditions outlined in the Appointment Letter.

- b. Compliance with the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. Fulfillment of fiduciary duties, including loyalty, care, and good faith.

ii. Strategic Contributions:

- a. Active participation in long-term strategic planning, including setting goals, objectives, and key performance indicators.
- b. Meaningful contributions to risk assessment and mitigation, talent and people management, financial management, and governance aspects of the Company's business.
- c. Provision of independent and objective perspectives on key issues, leveraging expertise and experience.

iii. Corporate Governance:

- a. Assistance in implementing best-in-class corporate governance practices, ensuring transparency, accountability, and fairness.
- b. Promotion of a culture of compliance, ethics, and integrity within the organization.

iv. Strategic Guidance:

- a. Provision of guidance on addressing key issues, challenges, and opportunities facing the Company.
- b. Identification of best practices, emerging trends, and innovative solutions to drive business growth and sustainability.

v. External Networking:

- a. Assistance in accessing information, resources, and networks externally, as and when required.
- b. Facilitation of connections with key stakeholders, including investors, customers, partners, and regulatory bodies.

C. Evaluation criteria for the Chairperson:

The performance evaluation of the Chairperson of the Company shall be conducted, taking into account the views of Executive Directors and Non-Executive Directors, on the following key parameters:

i. Leadership of the Board:

- a. Ability to provide strategic direction and guidance to the Board.
- b. Effectiveness in facilitating collaborative decision-making and fostering a culture of transparency and accountability.

ii. Agenda Setting:

- a. Ability to set a clear and focused agenda for Board meetings.
- b. Effectiveness in prioritizing key issues and ensuring timely discussion and resolution.

iii. Information Provision:

- a. Ensuring that accurate, timely, and clear information is provided to Directors.
- b. Effectiveness in facilitating access to relevant information and resources.

iv. Shareholder Communication:

- a. Effectiveness in communicating with shareholders, including transparency and responsiveness to their concerns.
- b. Ability to articulate the Company's vision, strategy, and performance to shareholders.

v. Evaluation and Assessment:

- a. Arranging for regular evaluation of the performance of the Board, its Committees, and individual Directors.
- b. Ensuring that evaluation outcomes inform Board development and improvement initiatives.

vi. Non-Executive Director Engagement:

- a. Facilitating the effective contribution of Non-Executive Directors, including their active participation in Board deliberations.
- b. Ensuring that Non-Executive Directors have access to necessary information and resources.

vii. Executive-Non-Executive Director Relations:

- a. Fostering constructive relations between Executive and Non-Executive Directors.
- b. Encouraging open communication, collaboration, and mutual respect between Executive and Non-Executive Directors.

D. Evaluation criteria for the Board and Board's Committee:

The Board and Board Committees shall undergo a comprehensive evaluation, based on the following broad parameters:

i. Board/Committee Composition:

- a. Effectiveness of the Board's composition, including diversity, skills, and expertise.
- b. Adequacy of the Committee's structure and composition.

ii. Board/Committee Meetings:

- a. Frequency, quality, and effectiveness of Board and Committee meetings.
- b. Adequacy of meeting materials, including agendas, minutes, and supporting documents.

iii. Information to the Board/Operating Procedures:

- a. Quality, timeliness, and relevance of information provided to the Board.
- b. Effectiveness of the Board's operating procedures, including decision-making processes.

iv. Responsibilities:

- a. Clarity and effectiveness of the Board's and Committees' roles and responsibilities.
- b. Adequacy of the Board's and Committees' oversight and monitoring functions.

E. Evaluation criteria for the Key Managerial Personnel and Senior Management Personnel:

The Key Managerial Personnel and Senior Management Personnel shall undergo a comprehensive evaluation, based on the following criteria:

i. Achievement of Targets/Smart Goals:

- a. Success in achieving targets and smart goals set by the Managing Director and shared with the Board.
- b. Quality of performance, including timeliness, efficiency, and effectiveness.

ii. Personal Abilities:

- a. Innovation and Creativity: Ability to think creatively, develop innovative solutions, and drive business growth.
- b. Integrity and Trust: Demonstrated integrity, trustworthiness, and ethical behavior in all professional interactions.
- c. Business Acumen: A deep understanding of the business, including its operations, finances, and strategic direction.
- d. Professional Courage: The willingness to take calculated risks, challenge assumptions, and make tough decisions.
- e. Communicates Effectively: The ability to communicate clearly, concisely, and persuasively with various stakeholders.
- f. Initiative: A proactive approach to work, with a willingness to take ownership and drive results.
- g. Teamwork and Collaboration: The ability to work effectively with others, build strong relationships, and foster a collaborative culture.
- h. Customer Focus: A customer-centric approach, with a deep understanding of customer needs, preferences, and expectations.
- i. Global Mindset/External Focus: A global perspective, with an understanding of the external environment, including market trends, competitors, and regulatory requirements.
- j. Practices Continuous Improvement: A commitment to ongoing learning, self-improvement, and process enhancement.

F. Evaluation criteria for other Employee:

The evaluation of performance for Other Employees shall be based on criteria established by the Managing Director (MD) and the Human Resources (HR) Department of the Company. This delegation of authority enables the MD and HR Department to design and implement performance evaluation frameworks that are tailored to the specific needs and goals of the organization.

The performance evaluation criteria for Other Employees may include, but are not limited to:

- a. **Job Knowledge and Technical Skills:** Demonstration of required knowledge, skills, and competencies to perform job responsibilities effectively.
- b. **Quality of Work:** Consistency and quality of work, including attention to detail, accuracy, and timeliness.
- c. **Productivity and Efficiency:** Ability to manage workload, prioritize tasks, and meet deadlines while maintaining high standards of quality.
- d. **Communication and Interpersonal Skills:** Effectiveness in communicating with colleagues, supervisors, and external stakeholders, including verbal and written communication.
- e. **Teamwork and Collaboration:** Willingness to work collaboratively with others, including active participation in team meetings, sharing of knowledge and expertise, and support for colleagues.
- f. **Adaptability and Flexibility:** Ability to adapt to changing priorities, deadlines, and work environments while maintaining a positive and professional attitude.
- g. **Leadership and Initiative:** Demonstration of leadership skills, including initiative, problem-solving, and decision-making.
- h. **Customer Focus:** Commitment to delivering high-quality services and support to internal and external customers.
- i. **Continuous Learning and Development:** Willingness to learn and develop new skills, including participation in training and development programs.

The MD and HR Department shall review and update the performance evaluation criteria for Other Employees periodically to ensure alignment with the Company's strategic objectives and goals.

Remuneration of Directors, Key Managerial Personnel and Senior Management:

Guiding Principles for Determining Remuneration

The following principles shall guide the determination of remuneration for Directors, Key Managerial Personnel, and Senior Management:

a) **Reasonableness and Sufficiency:**

The level and composition of remuneration shall be reasonable and sufficient to attract, retain, and motivate high-quality Directors, Key Managerial Personnel, and Senior Management.

b) **Balance between Fixed and Incentive Pay:**

The remuneration structure shall balance fixed and incentive pay, reflecting both short-term and long-term performance objectives aligned with the Company's goals and objectives.

c) Performance-Based Remuneration:

The relationship between remuneration and performance shall be clear, measurable, and aligned with established performance benchmarks.

d) Industry Benchmarking:

The Company shall consider prevailing trends and practices in similar industries, nature, and size of business to ensure competitive remuneration packages.

e) Independence in Remuneration Decisions:

No Director, Key Managerial Personnel, or employee shall be involved in determining their own remuneration.

f) Transparency and Disclosure:

The Company shall maintain transparency and disclose remuneration details as required by applicable laws and regulations.

g) Review and Revision:

The remuneration policy shall be reviewed and revised periodically to ensure alignment with the Company's strategic objectives, industry best practices, and regulatory requirements.

A. Remuneration to Executive Directors:

Pursuant to the provisions of Section 197 of the Companies Act, 2013 ("the Act"), read with Schedule V of the Act, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the remuneration payable to Executive Directors of the Company shall be governed by the following terms and conditions:

a. Quantum of Remuneration: The remuneration payable to Executive Directors shall be determined by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors, subject to the provisions of the Act and SEBI LODR.

b. Components of Remuneration: The remuneration payable to Executive Directors may comprise of the following components:

- a. Basic Salary
- b. Perquisites
- c. Allowances
- d. Commission (if any)
- e. Stock Options (if any)
- f. Other benefits

if board may thin fit, may change the components as the case may be.

c. Performance Criteria: The remuneration payable to Executive Directors shall be linked to their individual performance and the Company's financial performance.

d. Disclosure Requirements: The Company shall disclose the remuneration payable to Executive Directors in the Directors' Report and the Annual Report, as required under the Act and SEBI LODR.

e. Shareholder Approval: The remuneration payable to Executive Directors shall be subject to the approval of the shareholders of the Company, as required under the Act.

f. Central Government Approval: In cases where the remuneration payable to Executive Directors exceeds the limits prescribed under Schedule V of the Act, the Company shall obtain the prior approval of the Central Government.

B. Remuneration to Non-Executive Directors and Independent Directors:

i. Sitting Fees and Reimbursement of Expenses

a. The Non-Executive Directors and Independent Directors of the Company shall be entitled to receive sitting fees for attending Board meetings and Committee meetings, as applicable.

b. The quantum of sitting fees shall be determined by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors.

c. The Company shall reimburse the Non-Executive Directors and Independent Directors for their actual boarding and lodging expenses incurred while traveling for attending Board meetings or other official engagements on behalf of the Company.

ii. Ceiling/Limits on Remuneration

a. The remuneration payable to Non-Executive Directors and Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to the ceiling/limits prescribed under the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, and rules made thereunder or any other enactment for the time being in force.

iii. Compliance with Statutory Provisions

a. The Company shall comply with the provisions of the Companies Act, 2013, read with rules framed thereunder and Schedules thereto, and regulations mentioned under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, while paying remuneration to Non-Executive Directors and Independent Directors.

iv. Prohibition on Stock Options and Share-Based Payments

a. Independent Directors shall not be eligible to receive Stock Options or participate in any share-based payment schemes of the Company.

v. Professional Services

a. Any remuneration paid to Non-Executive Directors and Independent Directors for professional services rendered by them shall not be considered as part of their remuneration for the purposes of clause (b) above, subject to the following conditions:

b. The services are rendered by the Director in their professional capacity.

c. In the opinion of the NRC, the Director possesses the requisite qualification for the practice of that profession.

vi. Disclosure Requirements

a. The Company shall disclose the remuneration paid to Non-Executive Directors and Independent Directors in the Directors' Report and the Annual Report, as required under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C. Remuneration to Key Managerial Personnel, Senior Management Personnel and other Employee:

The Company shall determine the remuneration of Key Managerial Personnel, Senior Management Personnel, and other employees based on the following principles:

a. Negotiation and Consideration: The remuneration shall be negotiated with the prospective appointee, taking into account the size of the Company, the profile of the appointee, responsibility to be shouldered by him/her, and industry benchmarks.

b. Approval: The remuneration of Key Managerial Personnel and Senior Management Personnel shall be approved by the Nomination and Remuneration Committee (NRC) and/or the Board of Directors, as applicable, based on the guiding principles for determining remuneration stated above.

c. Remuneration Structure: The Key Managerial Personnel, Senior Management Personnel, and other employees of the Company shall be paid monthly and/or annual remuneration, as per the Company's HR policies and/or as may be approved by the NRC and/or the Board of Directors.

d. Components of Remuneration: The remuneration structure may include various components, such as:

- Basic Salary
- Performance-Based Incentives
- Allowances
- Benefits
- Stock Options (if applicable)
- Other benefits

if board may thin fit, may change the components as the case may be.

e. Disclosure Requirements: The Company shall disclose the remuneration paid to Key Managerial Personnel, Senior Management Personnel, and other employees in the Directors' Report and the Annual Report, as required under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. Annual Appraisal Process:

The annual appraisal process shall be conducted to evaluate the performance of all employees, including Managing and Executive Directors, Key Managerial Personnel, Senior Management Personnel, and other employees.

Organization-Wide Increments

The Committee shall approve organization-wide increments to the existing remuneration/compensation structure on an annual basis. In approving the increments, the Committee shall consider the following factors:

- a. Business Results: The Company's financial performance, including revenue growth, profitability, and other key performance indicators.
- b. Competitive Compensation Market Scenario: The prevailing compensation trends and practices in the industry, including market rates for similar positions.
- c. Other Factors: Any other factors that the Committee deems relevant, including the Company's overall performance, industry trends, and economic conditions.

Increments for Managing and Executive Directors:

The increments in the remuneration of Managing and Executive Directors shall be approved by the Board on the recommendation of the Committee. The Committee shall evaluate the performance of Managing and Executive Directors based on individual performance, in addition to the factors stated above.

Increments for Managing Director:

The increments to the Managing Director shall be within the slabs approved by the Shareholders.

Increments for Key Managerial Personnel, Senior Management Personnel, and Other Employees:

The increments in the remuneration of Key Managerial Personnel, Senior Management Personnel, and other employees shall be made on the basis of achievement of smart goals/targets set and shall be approved by the Managing Director within the overall organization-wide increment recommendation of the Committee.

The annual appraisal process shall be conducted in a fair, transparent, and timely manner to ensure that all employees are evaluated and rewarded based on their performance and contributions to the Company.

Constitution and Functioning of the Nomination and Remuneration Committee (NRC):

A. Constitution of Committee

- a. The NRC shall comprise at least three non-executive directors, out of which not less than two-thirds shall be independent directors and chairperson should be independent director.
- b. The Committee shall be constituted in compliance with the requirements of section 178 of the Companies Act, 2013, and the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee:

| Sr. No. | Name of Members | Designation | Contact details |
|----------------|-------------------------|--------------------|--|
| 1. | Mrs. Deepti Datta | Chairperson | Cor. Off.: II-B / 20, First Floor Lajpat Nagar, , New Delhi, Delhi, 110024 Email: srindustries9531@gmail.com Ph.: 011-69999159 |
| 2. | Mr. Sanjeev Kumar Sapra | Member | Cor. Off.: II-B / 20, First Floor Lajpat Nagar, , New Delhi, Delhi, 110024 Email: srindustries9531@gmail.com Ph.: 011-69999159 |
| 3. | Mr. Deepak Logani | Member | Cor. Off.: II-B / 20, First Floor Lajpat Nagar, , New Delhi, Delhi, 110024 Email: srindustries9531@gmail.com Ph.: 011-69999159 |

B. Role of the Committee

The NRC shall, inter alia, perform the following roles:

- a. **Formulation of Remuneration Policy:** 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 directors, key managerial personnel, and other employees.
- b. **Review of Board Composition:** Periodically review the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender, and experience.
- c. **Recommendation of Director Appointments:** Recommend to the Board the appointment or reappointment of directors.
- d. **Board Diversity Policy:** Devise a policy on Board diversity, when applicable.
- e. **Remuneration of Key Managerial Personnel and Senior Management:** Recommend to the Board the appointment and all remuneration payable, in whatever form, to key managerial personnel and senior management personnel.
- f. **Evaluation of Independent Directors:** Evaluate the performance of independent directors and recommend extension or continuation of their term.
- g. **Performance Evaluation:** Specify the manner for effective evaluation of performance of the Board, its committees, and individual directors.
- h. **Oversight of Performance Review:** Oversee the performance review process of key managerial personnel, senior management personnel, and the executive team.

C. Quorum and Meetings

a. Quorum: A minimum of two members or one-third of the members of the Committee, whichever is greater, shall constitute a quorum for the Committee meeting, and at least one independent director shall be present.

b. Frequency of Meetings: The Committee shall meet at least once in a financial year or as required.

D. Chairperson

1. Independence: The Chairperson of the Committee shall be an independent director.

2. Appointment: The Chairperson of the Company (if non-executive) may be appointed as a member of the Committee but shall not chair the Committee.

3. Absenteeism: In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

E. Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required but shall meet at least once a year.

F. Committee Members' Interest

a. Conflict of Interest: A member of the Committee is not entitled to be present when his own remuneration is discussed at a meeting or when his performance is being evaluated.

b. Invitation of Executives: The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

G. Disclosure

This policy shall be disclosed in the Board's Report in accordance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

H. Policy Review

a. Review: This policy shall be reviewed by the NRC as and when any changes are to be incorporated due to changes in regulations or as may be felt appropriate by the Committee.

b. Approval: Any changes or modifications to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

I. Voting

Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting, and any such decision shall, for all purposes, be deemed a decision of the Committee. In the case of equality of votes, the Chairperson of the meeting will have a casting vote.
