

## NOMINATION, REMUNERATION AND EVALUATION POLICY

### 1. Introduction

The Board of Directors (Board) of Rajdhani Flour Mills Limited ("Company") has adopted the following in accordance with the requirement of Section 178 of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force:

- a. Policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees;
- b. Policy for nomination, selection and appointment of directors, key managerial personnel (kmp) and senior managerial personnel (smp)

### 2. Policy Objective

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down;
- b. To lay down criteria for determining qualification, positive attributes and Independence of a Director;
- c. To lay down criteria, relating to remuneration of directors, key managerial personnel and other employees.

### 3. Definitions

"Board of Directors" means the "Board of Directors" of Rajdhani Flour Mills Limited.

"Company" means Rajdhani Flour Mills Limited.

"Independent Director" means a Director who satisfies the criteria of Independence as prescribed under the Companies Act.

"Key Managerial Personnel" or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:

- I. Managing Director, or Chief Executive Officer or Manager; and in their absence, a Whole Time Director;
- II. Company Secretary; and
- III. Chief Financial Officer;
- IV. Such other office as may be prescribed.

"Nomination & Remuneration Committee" means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013.

"Policy" means the Nomination, Remuneration Policy

"Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

"Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs.

#### 4. Constitution

The Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration

In line with the above provisions, the Board of Directors at its meeting held on 02/11/2021

Reconstituted Nomination & Remuneration Committee comprising following Directors as its Members :-

- Dr. Sri Umesh Chandra (Independent Director), Chairman
- Dr. Prateep Kumar Jain (Independent Director), Member
- Dr. S.K. Jain (Managing Director), Member

- a. The Board shall determine the membership of the Nomination & Remuneration Committee.
- b. The Committee shall comprise of at least three non-executive directors, of which not less than one shall be independent directors.  
Provided that the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- c. Chairman of the committee shall be an Independent Director.

#### 5. Policy

The policy is divided into three parts

##### 5.1 Appointment & Removal

- a. Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:
  - i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or as Senior Management level and accordingly recommend to the Board for his appointment.
  - ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.

iv. The other employees shall be appointed and removed as per the policy and procedure of the Company.

**ii. Term/ Tenure:**

The Term/Tenure of the Directors/ KMP's/Senior Management Personnel and other employees shall be as per the Company's prevailing policy subject to the provisions of the Companies Act, 2013 and rules made thereunder and as amended from time to time.

**iii. Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations and any other enactment for the time being in force.

**iv. Retirement:**

The director, KMP, senior management & other employees shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made thereunder 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.

**52. Remuneration**

The level and composition of remuneration to be paid to the Managing Director, Whole Time Director(s), Non Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and must appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**i. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**ii. Non-Executive Directors**

The Non-Executive Independent Directors will be paid commission as decided by the Board of Directors subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder.

The Non-Executive Independent Director will receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**iii. Senior Management Personnel/ KMPs**

The Remuneration to be paid to Senior Management Personnel/ KMPs shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director & CEO of the Company.

**iv. Other Employees**

The power to decide structure of remuneration for other employees has been delegated to the Managing Director & CEO of the Company or any other employee that the Managing Director & CEO may deem fit.

**S.S HADRANI FLOUR MILLS LIMITED - POLICY FOR NOMINATION, SELECTION AND APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGERIAL PERSONNEL (SMP)**

**Policy for Directors**

**Nomination and Remuneration Committee (NRC)**

More than 50% members of Nomination and Rem. nrm. on Committee comprises Independent Directors. It complies with the provisions of the Companies Act, 2013.

**Criteria for selection of directors**

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge and experience of its existing members, the diversity of the Board and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation of an effective Board.

1. The NRC shall consider the following attributes/ criteria, whilst recommending to the Board any person for appointment as Director:
  - a. Professional Qualification, expertise and experience in respective fields; understanding of key business concepts;
  - b. Personal background and integrity, professional reputation or business standing;
  - c. Diversity of the Board;
  - d. Alignment with ethics and the values of the Company;
  - e. Strong communication skills;
  - f. Availability of sufficient time to devote to the required role.
2. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 154 of the Companies Act, 2013.
3. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively, without conflict of interest.
4. In case of re-appointment of directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **Criteria for Selection of the Key Managerial Personnel (KMP) / Senior Managerial Personnel (SMP)**

When recommending a candidate for above appointment, the Nomination and Remuneration Committee would look into following attributes:

- a. Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities;
- b. The skills and experience in relevant discipline;
- c. The nature of existing positions held by the appointee;
- d. Communication and networking skills as per job requirement;
- e. Commitment to high standards of ethics, personal integrity and probity;
- f. Commitment to the promotion of equal opportunities, health and safety in the workplace;
- g. Nurturing and developing young and junior members through team building.

#### **6. Disclosures**

This Remuneration policy and criteria of making payments to non executive directors shall be disclosed in the Board's report.

#### **7. Amendment(s)**

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.