

**22.0 Environment, Social & Governance**  
**P22.4 Nomination and Remuneration Policy**  
**Vardhman Group**

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**Document Attributes**

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#### **22.4.1. Preface**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors.

#### **22.4.2. Objectives**

This Policy aims to provide guidelines for the Nomination and Remuneration Committee (NRC) on matters relating to the appointment, removal, and remuneration of Directors, Key Managerial Personnel, and Senior Management.

#### **22.4.3. Scope & Applicability**

The Policy shall be applicable to the Board of Directors, Key Managerial Personnel and Senior Management of the Company

#### **22.4.4. Role of the Committee**

- a. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- b. To formulate criteria for determining qualifications, positive attributes, and independence of a Director.
- c. To recommend to the Board remuneration policy related to remuneration of Directors (whole-time Directors, Executive Directors, etc.), Key Managerial Personnel, Senior Management, and other employees while ensuring the following:
  - That the level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate directors of the quality required to run the company successfully.
  - That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - That remuneration to directors, key managerial personnel, and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.
  - To formulate criteria for evaluation of Directors and the Board.
  - To devise a policy on Board diversity.
  - Determining whether to remove, extend, or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
  - Recommending to the Board the appointment and remuneration payable to senior management.

- To recommend to the Board the removal of Directors, Key Managerial Personnel, and Senior Management on grounds of their involvement in unethical practices, moral turpitude, and violation of the Code of Conduct of the Company or on such other grounds as the NRC may consider in the best interests of the Company.

#### **22.4.5. Membership**

- a. The Committee shall consist of a minimum of 3 non-executive directors, with at least two-thirds of them being independent.
- b. Two (2) members or one-third of the members, whichever is greater, including at least one independent director, shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. The term of the Committee shall continue unless terminated by the Board of Directors.

#### **22.4.6. Chairman**

- a. The Chairman of the Committee shall be an Independent Director.
- b. The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman
- d. The Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.
- e. The Chairman shall ensure discussions are in alignment with ESG goals and document any dissenting opinions in the minutes for transparency.

#### **22.4.7. Frequency & Meeting**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **22.4.8. Committee Member Interest**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **22.4.9. Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **22.4.10. Voting Procedure**

- a. Decisions of the Committee 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.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **22.4.11. Minutes of Committee Meeting**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

#### **22.4.12. Effective Dates & Amendments**

This policy is effective from 7<sup>th</sup> August 2014 as amended from time to time. It will be reviewed at appropriate intervals to ensure alignment with regulatory requirements.

#### **22.4.13. Governance**

NRC Committee shall govern the Nomination & Remuneration Policy.

#### **22.4.14. Policy Review**

This policy will be reviewed periodically, as & when required, to ensure it reflects changes in SEBI laws and regulations.