



## **SATIA INDUSTRIES LIMITED**

<b>Name of the Policy</b>	<b>Nomination and Remuneration Policy</b>
<b>Date of Last amendment</b>	<b>November 13,2024</b>

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated subject to the provisions of Section 178 of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), as amended from time to time.

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy.

The key factors considered in formulating the Policy are as under:

- To attract, retain and motivate qualified and competent individuals as Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.
- To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry.
- To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential. To ensure disbursal of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

In order to meet the above objectives, the company undertakes various processes in an ongoing manner such as conducting of salary surveys, periodic review of its performance appraisal and reward systems, institution of incentive schemes, providing skill and competency development to its manpower on a regular basis.



## **NOMINATION AND REMUNERATION POLICY**

**Section 178 of the Companies Act, 2013 (“Act”) read with the applicable Rules thereto, provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015 (“SEBI Regulations”) read with Part D of Schedule II of SEBI Regulations (together referred to as “Applicable Laws”) require the Nomination and Remuneration Committee (“NRC” or the “Committee”) of the Board of Directors of every listed Company**

### **Role of the Nomination and Remuneration Committee of Directors (the Committee)**

**Role of the Committee shall, inter alia, include the following:**

- 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;**
- 2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;**
- 3. Formulation of criteria for evaluation of performance of independent Directors and the Board;**
- 4. 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;**
- 5. Devising a policy on Board diversity;**
- 6. 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;**
- 7. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;**
- 8. To recommend to the Board all remuneration in whatever form, payable to senior management;**
- 9. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for**



appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: -

- Use the services of external agencies, if required;
- Consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

**Criteria for recommending a person to become Director, The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:**

**1. Qualification & Experience:**

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

**2. Qualities:**

The incumbent Director may possess one or more of the following attributes/qualities: - Respect for and strong willingness to imbibe the Company's Core Values - Honesty and professional integrity. - Strategic capability with business vision. - Entrepreneurial spirit and track record of achievement. - Ability to be independent and capable of lateral thinking. - Reasonable financial expertise. - Have contacts in fields of the business/corporate world/Finance/Chambers of commerce & industry. - Can effectively review and challenge the performance of management.

3. In case the proposed appointee is an Independent Director, he should fulfil the criteria for appointment as Independent Director as per the provisions of the Act, SEBI Listing Regulations and other applicable laws & regulations. The proposed appointee should have the capabilities identified in the description of the role and capabilities required of an independent director as may be prepared by the Committee. 'He' or 'his' as mentioned in this Policy includes any gender.

4. The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.



## **Director's Compensation**

The Committee will recommend to the Board appropriate compensation to Executive Directors, subject to the provisions of the Act, SEBI Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

## **Evaluation of Board Members**

Section 149 of the Act read with Schedule IV of the said Act and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the Independent Directors shall at its separate meeting review performance of non-independent directors, Chairperson of the Company and the Board as a whole. The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated. Further as per Section 178 the Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors.

The evaluation will be done based on structured questionnaire to be circulated in advance to all the Directors. Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall annually review the performance of each and every Director. Based on the rating of performance, the Board can decide to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating.

## **Board Diversity**

The Committee in its nomination process and while making recommendations to the Board shall endeavour to have an optimum and ideal combination of Directors from a diverse mixture of skills, professional & industry backgrounds, age, sexual orientation, physical disabilities, family status, religious beliefs, political beliefs, nationality, geographical experience & expertise, gender, tenure, ethnicity and diversity of thought. The Committee shall operate on the premise that a diverse and inclusive Board will be able to leverage different skills and perspectives which is essential for achieving long-term growth and development. The Committee shall set out the criteria for determining qualifications, positive attributes and independence while evaluating a person for



appointment /re- appointment as Director with no discrimination on the grounds of ethnicity, nationality, gender or race or any other such factor. While reviewing the composition of the Board, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, to the extent feasible/possible.

## **Eligibility Criteria & Remuneration of Key Managerial Personnel and other Senior Management Personnel**

The eligibility criteria for appointment of key managerial personnel and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of key managerial personnel shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for key managerial personnel and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### **Succession plan for the Board and Senior Management**

#### **a. Succession plan for the Board:**

The Committee shall determine the suitability of every person who is being considered for appointment or re-appointment as a director based on his/ her educational qualification, experience, track record and contribution to the Board, as applicable, and every such person shall meet the 'fit and proper' criteria as may be stipulated by the Committee, from time to time, and accordingly any appointment or re-appointment of a director shall be subject to prior approval / recommendation by the Committee.

#### **b. Succession plan for the Senior Management:**

The human resource department of the Company (the "HR") shall periodically review and consider the list of Senior Management due for retirement/ attrition within the year. HR shall also consider the new vacancies that may arise because of business needs/ up-gradation of department(s)/ regional office(s). Considering the above, HR shall assess the availability, internally and / or externally as the case may be, of suitable candidates for the Company's future growth and development.

Further, based on the recommendation of the managing director and/or the chief executive officer, the HR:



- i. shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc., and recommend whether the concerned individual (i) be granted an extension in term/ service; or (ii) be replaced with an identified internal or external candidate;
- ii. shall identify the competency requirements of the key positions, assess potential candidates, and develop required competency through planned development and learning initiatives. HR may utilise the services of professional search firms to assist in identifying and evaluating potential candidates;
- iii. may recommend to appoint other suitable external candidate(s) as special recruitment in Senior Management based on the profiles and competency in order to provide a continuous flow of talented people to meet the organisational needs;
- iv. the prevailing promotion/ transfer policy or related policy of the Company shall be designed in such a way that the existing/ proposed Senior Management shall get all-round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions;
- v. every member of the Senior Management shall always endeavour to add capability in-house and mentor officials with potential working under him/ her to handle his responsibility in his/ her absence by exposing him/ her to all aspects of work being handled by him/ her; and
- vi. in addition to the above, the appointment of key managerial personnel as defined under Section 2(51) of the Companies Act shall be made in compliance with the applicable provisions of the Companies Act, read with the SEBI Listing Regulations.

## **Amendment(s)/Modification**

In case of any subsequent changes in the provisions of the Act or SEBI Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act or SEBI Listing Regulations, then the provisions of the Act or SEBI Listing Regulations will prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law