



SATIA INDUSTRIES LIMITED

Name of the Policy	Nomination and Remuneration Policy
Date of Last amendment	November 13,2024

1. Introduction:

This Nomination cum Remuneration Policy (“Policy”) has been formulated pursuant to Section 178 of the Companies Act, 2013 read with applicable rules made thereunder (collectively, the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time.

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonize the aspirations of human resources with the goals of the Company.

2. Objective and purpose:

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 disbursement 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.

3. Definitions

- a. **'Board'** means the Board of Directors of the Company.
- b. **'Directors'** means the Directors of the Company.
- c. **'Committee'** means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board, in accordance with the Companies Act, 2013 and applicable SEBI Listing Regulations.
- d. **'Company'** means Satia Industries Limited.
- e. **'Independent Director'** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. **'Key Managerial Personnel (KMP)'** means:
 - the Chief Executive Officer or the managing director or the manager;
 - the Company Secretary;
 - the whole-time director;
 - the Chief Financial Officer;
 - 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;
 - such other officer as may be prescribed.
- g. **'Senior Management'** shall mean officers/personnel of the listed entity who are members of its core management team, excluding 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 persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity .

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and SEBI Listing Regulations as may be amended from time to time shall have the meaning



respectively assigned to them therein.

4. Constitution of the nomination and remuneration committee

The Board has constituted the “Nomination and Remuneration Committee” (“Committee”) of the Board in line with the requirements under the Companies Act, 2013 (“Act”) and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The Committee shall consist of 3 (three) or more non-executive directors out of which at least 2/3 of the directors shall be independent directors. The Chairperson of the Nomination and Remuneration Committee shall be an Independent Director. The Chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

The Board has authority to re-constitute this Committee from time to time.

4A. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company’s policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
- g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context



of the then current Indian market in accordance with applicable laws;

- i) To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- j) 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;
- k) To perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee;
- l) Implementation of decisions regarding allotment of ESOP Shares;
- m) Recommend to the Board, all remuneration, in whatever form, payable to directors and senior management;
- n) To satisfy itself with regard to succession planning, that the processes and plans are in place with regard to the Board & senior management;
- o) To perform such functions or duties as may be prescribed under the Companies Act, 2013, the SEBI Listing Regulations and any other applicable laws from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time

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.

4B. Appointment and removal of Directors, KMP and Senior Management

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.

5. Directors Remuneration

The Committee will approve the fixed remuneration to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. Commission to the Executive Directors, if any, will be recommended by the Committee to the Board for approval. The Committee/Board shall periodically review the remuneration of such Directors in relation to other comparable companies and other factors like performance of the Company etc. as deemed appropriate.

The Committee will recommend to the Board appropriate fees / commission to the nonexecutive directors for its approval. The Committee / Board shall inter alia, consider level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

6. Performance Evaluation

Performance evaluation of Executive Directors, Non-executive & Non-Independent Directors, Independent Directors, Board as a whole, Board Committees and their members and Chairman shall be carried out in following manner:



- a) **Performance evaluation of all individual Directors:** It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation. The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.
- b) **Performance evaluation of Independent Directors:** It shall be done, annually and at the time of their re-appointment, by NRC for recommending to the Board whether to extend or continue the term of appointment of independent directors. Based upon the recommendations of the NRC, the Board of Directors shall decide to continue their appointment or consider them for reappointment.

The performance evaluation of independent directors, in addition to feedback received from NRC, shall be done by the entire Board of Directors, excluding the director being evaluated as per the structure of performance.

- c) **Performance evaluation of Non-Executive & Non- Independent Directors:** It shall be done annually by NRC for recommending to the Board whether to extend or continue the term of appointment of non-executive & non-independent Directors.
- d) **Performance evaluation of the Board of Directors:** Board shall evaluate its own performance on criteria.
- e) **Performance evaluation of Board Committees:** The Board shall review the performance of all its committees annually.
- f) **Performance evaluation of Chairman:** The Board shall review the performance of Chairman annually.
- g) **Performance evaluation by independent directors at their separate meeting:** The Independent Directors in their separate meeting shall review performance of non-independent directors, Board as a whole, the Chairman of the company, taking into account the views of executive directors and non-executive directors.

The Chairman of meeting of Independent Directors or one selected by independent Directors shall share outcome of their abovementioned evaluations with the Chairman of the Board.

Chairman of the Board shall be responsible for giving feedback as and when required as a result of performance evaluation above and guide on preparation of a suitable action plan, if required.

7. 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.

8. 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 allround 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 inhouse 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;
- 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.



9. 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 laws.



Criteria for evaluation of Board Performance

Frequency of meetings: held during the year:

- Adequate to discharge the Board's functions?

Attendance by members:

- Attendance generally satisfactory?(based on an attendance table)

Attendance by Executives:

- Satisfied that all those required to attend were present?

Duration and conduct of meetings:

- Duration found generally satisfactory and enough for covering agenda?
- Meetings well conducted, members' contributions participative and constructive and views openly and well expressed, members generally satisfied?

Agenda and documentation:

- Notices, Agenda, quality of agenda papers and information therein, timely distribution, quality and appropriate detail of financial and commercial information, production and operational matters: satisfactory on all counts?
- Minutes – quality, adequacy and their timely circulation, review of actions and decisions monitored, review and followed up: satisfactory?

Financial Information:

- Board consideration and review in terms of quality, depth, potential risks and problems, of state of finances, as reflected in P&L and Balance Sheets, cash flows, indebtedness to and by the Company: Satisfactory?
- Review of financial controls, processes and integrity of data duly considered: Satisfactory?
- Budgeting and target setting: approval mechanisms robust?
- Performance relation to budgets and targets effectively reviewed?
- Capex budget and expenditure reviews: Satisfactory?
- Interaction with Auditors satisfactory?

Commercial and Operational Information:

- Market and sales information, presentations and performance review: Satisfactory?
- Competition scenarios, strengths and weaknesses assessed and reviewed?
- Production and other operational matters adequately assessed and reviewed?
- HR matters adequately reviewed?
- Are internal controls regularly monitored and their adequacy satisfied?

**Board/Committee Structure:**

- Number of members on the Board, their diversity and representative character: satisfactory?
- Committees of the Board are in accordance with regulations where appropriate and adequately meet the needs of Board level governance?

Members Obligations:

- Statutory, regulatory and conflict of interest declarations by members, regular and timely?

Statutory/Regulatory Requirements and Compliances:

- Are these regularly reported, considered and reviewed?

Business and Corporate Strategy:

- Does the Board adequately review and discuss long term strategy and planning for the Company?

Communications and Interaction:

- Is the Board satisfied that the principles of good corporate governance are well covered in the above processes?
- Is potential conflict of interest between management and shareholders managed well and in the interest of the Company?
- Is the Board satisfied that its decisions and suggestions are adequately communicated and acted upon by the Management?
- Does the Board consider its interaction with the CEO, KMPs and other senior management productive and satisfactory?
- Do MD & CEO feel satisfied with access to the Board and Directors and with directions from the Board?



Parameters for Evaluation of Directors

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and Committees' effectiveness
- Peer evaluation



Criteria for Evaluation of Audit Committee of the Board

1. The Audit Committee is qualified, Members being financially literate, having financial expertise.
2. Size of the Committee is appropriate for the complexity & operations of the organization.
3. Effectiveness of the Committee in performing its role and discharging its responsibilities (as mandated under the Companies Act, 2013 and the SEBI Regulations).
4. The Committee encourages a tone at the top that conveys basic values of ethical integrity, legal compliance, and strong financial reporting and control.
5. The Committee oversees the periodic financial reporting process and reviews quarterly & annual financial statements before recommending to Board.
6. The Committee review / approves related party transactions in compliance with the applicable laws.
7. Powers of the Committee to invite the auditors, functional heads, Company's executives etc. in the Committee Meetings, whenever deemed necessary.
8. Powers to the Committee to engage the services of legal advisers, internal and external consultants, when deemed necessary.
9. The Committee has a positive working relationship with the management and auditors, demonstrated in its processes and interactions with the Board.
10. The Committee Chair reports after each meeting to the Board on major issues discussed, and recommendations for Board actions.
11. Minutes of meeting(s) of the Committee are placed before the Board regularly.
12. The Committee effectively performs support functions to the Board in fulfilling its responsibilities.
13. Overall functioning of the Committee.
14. Any other parameter



Criteria for Evaluation of Nomination & Remuneration Committee of the Board

1. The Committee is constituted in accordance with the applicable laws and regulations, led by an Independent Chair.
2. Effectiveness of the Committee in performing its role and discharging its responsibilities (as mandated under the Companies Act, 2013 and the SEBI Regulations).
3. The Committee demonstrates commitment to good corporate governance in the formulation and recommendation thereon to the Board, of policies and criteria in accordance with applicable laws consistent with the Company's overall philosophy, culture, strategy and business environment in which it operates.
4. All items required to be discussed in the Committee under the mandates of Companies Act, 2013 and SEBI Regulations, are properly dealt with by the Committee before placing it before the Board with suitable recommendations thereof.
5. The Committee Chair reports after each meeting to the Board major issues discussed and recommendations for Board actions.
6. Minutes of Meeting(s) of the Committee are placed before the Board regularly.
7. The Committee effectively performs support functions to the Board in fulfilling its responsibilities.
8. Overall functioning of the Committee.
9. Any other parameter



Criteria for Evaluation of Stakeholders Relationship Committee of the Board

1. The Committee is constituted with three Directors, chaired by a Non-Executive Independent Director.
2. Effectiveness of the Committee in performing its role and discharging its responsibilities (as mandated under the Companies Act, 2013 and the SEBI Regulations).
3. The requisite share related data is shared with the Committee.
4. Periodicity of the Meetings of the Committee is adequate to expeditiously deal with grievances / complaints of shareholders of the Company, requests lodged with the Company for transfer of shares, transmission, issuance of duplicate shares, etc.
5. Minutes of Meeting(s) of the Committee are placed before the Board regularly.
6. The Committee effectively performs support functions to the Board in fulfilling its responsibilities.
7. Overall functioning of the Committee.
8. Any other parameter.



Criteria for Evaluation of Corporate Social Responsibility Committee of the Board

1. The Committee is constituted in accordance with the applicable laws and regulations, led by an Independent Chair.
2. Effectiveness of the Committee in performance of the following functions:
 - To formulate a CSR Policy
 - To recommend / approve CSR expenditure
 - To monitor implementation of CSR Policy
3. Minutes of Meeting(s) of the Committee are placed before the Board regularly.
4. Committee provides relevant inputs to the Board for taking informed decision while discharging its duties under the law.
5. The Committee effectively performs support functions to the Board in fulfilling its responsibilities.
6. Overall functioning of the Committee.
7. Any other parameter.



Criteria for Evaluation of Risk Management Committee of the Board

1. The Committee is constituted with three non-executive independent directors, one non-executive director and one whole-time director.
2. Competence of the Committee in overseeing the implementation and monitoring of Risk Management Framework in the organization.
3. The Committee periodically updates the Board about the effectiveness of such Risk Management Framework.
4. Minutes of Meeting(s) of the Committee are placed before the Board regularly.
5. The Committee effectively performs support functions to the Board in fulfilling its responsibilities.
6. Overall functioning of the Committee.
7. Any other parameter.



Criteria for Performance Evaluation - MD & CEO

1. Attendance at Meetings: Board, Committees, Shareholders: Satisfactory?
2. Adherence to Code of Conduct, ethical standards, integrity and probity: Satisfactory?
3. Knowledge of Company's business, its operations, financials and the external environment in which it operates: Satisfactory?
4. Knowledge, awareness of laws, regulations and practices relating to the Company and its business: Satisfactory?
5. Knowledge, awareness of and adherence to fiduciary & statutory obligations: Satisfactory?
6. Performance as CEO – leadership to the organisation, monitoring of performance of KMPs and other staff and employees, his conduct and interaction with and directions to them: Satisfactory?
7. Strategic vision, planning of business, relating these to business, economic and political environment: Satisfactory?
8. Participation in Board and Committee meetings: his contribution responsible, constructive, well-focused on issues, participative and always in the interest of the Company and its stakeholders: Satisfactory?
9. Communication with Board members: Satisfactory?
10. Commitment to best corporate governance practices and contribution in that respect: Satisfactory?
11. Commitment to culture of performance, accountability, value creation and balanced risk profile for the Company: Satisfactory?
12. Interaction and conduct with outside publics: Satisfactory?



Criteria for Performance Evaluation – Executive / WTDs

1. Attendance at Meetings: Board, Committees, Shareholders: Satisfactory?
2. Adherence to Code of Conduct, ethical standards, integrity and probity: Satisfactory?
3. Knowledge, awareness of and adherence to fiduciary & statutory obligations: Satisfactory?
4. Knowledge of Company's business, his areas of operation, financials and the external environment in which it operates: Satisfactory?
5. Performance in his executive responsibility, his conduct and interaction with KMPs and other staff and employees, as reported by MD: Satisfactory?
6. Participation in meetings: constructive, well-focused on issues, participative and always in the interest of the Company & its stakeholders: Satisfactory
7. Communication with Board members: Satisfactory?
8. Commitment to best corporate governance practices and contribution in that respect: Satisfactory?
9. Commitment to culture of performance, value creation and balanced risk profile for the Company: Satisfactory?
10. Commitment to strategic thinking and long-term vision: Satisfactory?
11. Chairman/Member of Committees- conduct, contribution: Satisfactory?



Criteria for Performance Evaluation – Non Executive Directors

1. Attendance at Meetings: Board, Committees, Shareholders: Satisfactory?
2. Adherence to Code of Conduct, ethical standards, integrity and probity: Satisfactory?
3. Knowledge, awareness of and adherence to fiduciary and statutory obligations: Satisfactory?
4. Knowledge of Company's business, operations, financials and the external environment in which it operates: Satisfactory?
5. Participation in meetings: constructive, well-focused on issues, participative and always in the interest of the Company & its stakeholders: Satisfactory?
6. Participation in meetings in matters relating to his expertise: Satisfactory?
7. Communication with Board members and management: Satisfactory?
8. Commitment to best corporate governance practices and contribution in that respect : Satisfactory?
9. Commitment to culture of performance, value creation and balanced risk profile for the Company: Satisfactory?
10. Commitment to strategic thinking and long-term vision: Satisfactory?
11. Chairman/Member of Committees- conduct, contribution, leadership: Satisfactory?