
SHIVAGRICO IMPLEMENTS LIMITED

NOMINATION & REMUNERATION POLICY

[As per Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015]

1. **INTRODUCTION:**

Shivagrigo Implements Limited (the “Company”) has adopted the Nomination & Remuneration Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management as required by the provisions of Section 178 of the Companies Act, 2013 (the “Act”) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

2. **OBJECTIVES:**

- i. To formulate the criteria for determining qualifications, positive attributes and independence of a director of the Company for appointment.
- ii. To recommend a policy to the Board, relating to the remuneration for the directors, key managerial personnel, senior management and other employees.
- iii. To ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate the directors of the quality required to run the company successfully.
- iv. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- v. To ensure that the 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 goal.

3. **DEFINITIONS:**

“**Act**” means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.

“**Board**” means the Board of Directors of the Company.

“**Committee**” means the Nomination and Remuneration Committee.

“**Company**” means Shivagrigo Implements Limited.

“**Directors**” mean members of the Board.

“**Key Managerial Personnel**” or “**KMP**” means;

- (i) The Chief Executive Officer or the Managing Director or the Manager;

- (ii) The Whole-time Director;
- (iii) The Chief Financial Officer;
- (iv) The Company Secretary

“Officers” or “Executive” mean the permanent employees of the Company.

“Other employees” mean all the employees other than the Directors, KMPs, The Senior Management Personnel, Officers or Executives and Non-Unionized Supervisors.

“Senior Management” mean personnel of the Company who are members of its core management team excluding the Board comprising all members of management at one level below the whole-time directors

“Independent Directors” means a director referred to in Section 149 (6) of the Act.

“Whole-time director” includes a director in the whole-time employment of the company

4. CONSTITUTION OF COMMITTEE:

- a. The Committee shall comprise of three or more non-executive directors, out of which not less than one half of the directors shall be independent directors.
- b. Terms of reference of the Committee shall be continued unless terminated by the Board.
- c. The Chairperson of the Committee shall be an Independent Director.
- d. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson other than chairperson of the Company.
- e. The meeting of the Committee shall be held at such regular intervals as may be required.

5. ROLE OF THE COMMITTEE:

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director.

- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board.
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management.
- e) To devise a Policy on Board diversity.
- f) To review and recommend to the Board the overall strategies in relation to executive and non - executive remuneration policies.

6. CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

- a) Attendance and contribution at Board and Committee meetings
- b) His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- c) His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- d) His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- e) Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- f) Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- g) Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- h) His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- i) Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital

- requirement, Forex dealings, geopolitics, human resources etc.
- j) His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
 - k) His/her contribution to enhance overall brand image of the Company.

7. **CRITERIA:**

- **Appointment:**

- i. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. For every appointment of an independent director, the NRC 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 for such role shall meet the description.
- iii. The Company shall appoint or continue the employment of a person as Managing Director / whole-time Director and non-executive Director who has not attained the maximum age of retirement as prescribed under relevant laws. However, the appointment of a person who has attained the age of seventy year may be made by passing special resolution.
- iv. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- v. The Company shall appoint the Directors, KMP, or Senior Management as mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations.

- **Term:**

- i. **Managing Director / Whole-time Director**

- The Company shall appoint or re-appoint any person as its Managing Director and CEO or whole- time Director as per the relevant laws.

- ii. **Non-Executive Director**

Non-executive director's office is subject to retirement by rotation at the Annual general meeting in the manner as specified under relevant laws.

iii. Independent Director

An Independent Director shall be appointed / re-appointed in the manner as specified under relevant laws.

• **Removal:**

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

• **Retirement:**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

• **Remuneration:**

➤ **Remuneration of Managing / Whole-time Director, KMP and Senior Management:**

- i.** The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval.
- ii.** The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
- iii.** Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management, and which shall be decided by the Chairman & Managing Director based on the standard market practice and policies of the Company.

➤ **Remuneration to Non-executive / Independent Director:**

- i. The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.
- ii. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

8. FREQUENCY OF THE MEETING:

The meeting of the Committee shall be held atleast once in a year and at such regular intervals as may be required.

9. AMENDMENTS:

The Board may review or amend this Policy, in whole or in part, from time to time, after taking into account the recommendations from the Committee.

10. POLICY REVIEW:

(a) This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.

(b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

(c) This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.
