



Nomination and Remuneration Policy of Mahaan Milk Foods Limited

1. Introduction:

The Nomination & Remuneration Policy (“**Policy**”) of Mahaan Milk Foods Limited (“**Mahaan**” or “**Company**”) is formulated under the Companies Act, 2013 (“**Act**”) and other applicable laws (hereinafter referred to as “Relevant laws”).

2. Objectives and Purpose:

This Policy has been prepared to achieve the following objectives and purposes:

- To identify persons who are qualified to become directors, persons who may be appointed as Key Managerial Personnel (KMP) and/or Senior Management Personnel (SMP) in accordance with the criteria laid down in this Policy and to recommend their appointment and removal to the Board.
- To carry out evaluation of performance of every director and of the Board as a whole.
- To recommend to the Board policy related to remuneration for the directors, KMPs, SMPs and other employees of the Company.
- To formulate the criteria for determining qualifications, experience, expertise, other attributes and independence of a person to be appointed as a director.
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3. Definitions:

- a. ‘**Act**’ shall mean the Companies Act, 2013 and includes any amendment thereof.
- b. ‘**Board**’ means Board of Directors of the Company.
- c. ‘**Company**’ means Mahaan Foods Limited.
- d. ‘**Committee**’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.



4. Appointment Criteria and Qualifications:

- 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.
- 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.
- For the purpose of identifying suitable candidates, the Committee may;
 - a. use the services of an external agencies, if required
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity and
 - c. consider the time commitments of the candidates
- 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.
- Mere possession of requisite qualification, experience & expertise shall not entitle any person to be automatically considered for appointment as a director, KMP or SMP in the company, as a matter of right.
- The decision of the Committee and/or the Board as regards appointment of an individual to any of the designated position shall always be final.

5. Term / Tenure:

- **Executive Director (ED) / Managing Director (MD) / Whole-time Director (WTD):** The Company shall appoint or re-appoint any person as its ED/ MD/ WTD as per relevant laws.
- **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.
- **Independent Director:** An Independent Director shall be appointed / re-appointed in the manner as specified under relevant laws.
- **Key Management Personnel (KMP) / Senior Management Personnel (SMP):** The term of any person appointed as KMP shall be determined by the Committee and finalized by the Board. However, the terms of appointment for persons to be appointed as SMP may be delegated by the Committee/Board to the person in charge of day-to-day affairs of the company at a given time.



6. 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.

7. 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 law.

8. Evaluation Criteria:

The Committee shall carry out the evaluation of performance of every director and forward the performance evaluation report along with its recommendations, if any, to the Board.

9. Remuneration Criteria:

- **Executive Director / Managing Director / Whole-time Director:** They may be paid remuneration comprising of several components (including fixed as well as variable), decided and approved by the Board Nomination and Remuneration Policy of Mahaan Milk Foods Limited from time to time, on the recommendation of the Committee and also approved by the shareholders and the Central Government, if so required. Such remuneration will be determined according to industry standards, experience, laws and regulations, prevailing market conditions and scale of Company's business relating to the position.
- **Other Directors:** The Company will remunerate its non-executive directors as under:
 - **Sitting Fees:** They shall be entitled to receive a sum by way of fees (sitting fee) for attending each meeting of the Board and/or Committee thereof as may be decided by the Board of Directors, from time to time, subject to the maximum amount as may be prescribed by Central Government in this regard.
 - **Commission:** They may also be paid Commission, not exceeding the maximum overall limits; and in accordance with the applicable provisions of the Companies Act, 2013 or such sum as may be approved by the shareholders and/or central government in this regard.
- **KMP/SMP:** They shall be paid such remuneration as recommended by the Committee and approved by the Board from time to time. However, for all KMP (except for the MD/WTD) and/or SMP, the Committee/Board may also authorize the person in charge of day-to-day affairs of the company to decide their remuneration.



- **Other Employees:** The Committee or the Board may authorize the person in charge of day-to-day affairs of the Company, who shall be responsible for determining the remuneration payable to the other employees of the Company, based on their qualification, experience, expertise and their performance.

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.