

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Venlon Enterprises Limited (“the Company”) has framed this policy providing guiding principles on Nomination of Directors and Senior management personnel and for fixing their remuneration.

1. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (‘KMP’) and Senior Management
- 1.2. To recommend the remuneration payable to the Directors and Key Managerial Personnel based effort, performance, dedication and achievement relating to the Company’s operations.
- 1.3. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.4. To develop a succession plan for the Board and to regularly review the plan.

2. DEFINITION

2.1. “**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

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

2.3. “**Directors**” mean Directors of the Company.

2.4. “**Key Managerial Personnel**” means

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the Company secretary;

(iii) the Whole-time director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed;

2.5. “**SEBI Regulations**” refer to the applicable Regulations issued by the Securities and Exchange Board of India and shall include but not be limited to SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

2.5. “**Senior Management**” means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the whole time directors, including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. ROLE OF COMMITTEE

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

The Committee shall:

3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2. 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.

3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management:

3.2.1. Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure:

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole time Director/Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. Where remuneration paid exceeds the limits prescribed under the law, the tenure shall be restricted to 3 years.

b) The tenure of the Non-executive Independent Directors shall be as prescribed under the law and by the shareholders appointing them.

3.2.4. Removal:

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

3.2.5. Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act, SEBI Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. Remuneration to Managing/Whole-time / Executive Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to a Wholetime Director / Managing Director/Director etc. shall be as determined by the Board of Directors of the Company and shall be governed as per provisions of the Act, rules made there under, SEBI Regulations or any other enactment for the time being in force.

3.3.2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Act and SEBI Regulations. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

4. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN:

- a) Chairperson 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) 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.

6. FREQUENCY OF MEETINGS:

- a) The meeting of the Committee shall be held at such regular intervals as may be determined by the Board or as may be required under the Companies Act, 2013 and the SEBI Regulations.

7. COMMITTEE MEMBERS' INTERESTS:

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.

8. VOTING

a) Matters arising for determination at Committee meetings 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

9. NOMINATION DUTIES:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Identifying and recommending Directors who are to be put forward for retirement by rotation. Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee; Recommend any necessary changes to the Board.

Considering any other matters as may be requested by the Board; and

10. REMUNERATION DUTIES:

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee. to consider any other matters as may be requested by the Board;

11. MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

12. REVIEW AND AMENDMENT:

- i. The Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.