

ELEGANT MARBLES & GRANI INDUSTRIES LTD.

Manufacturers / Importers / Exporters of Mirror Polished Italian Marbles & Granites

NOMINATION AND REMUNERATION POLICY OF ELEGANT MARBLES & GRANI INDUSTRIES LIMITED

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

Nomination and Remuneration Committee ("the Committee" or "NRC") is constituted by the Board of Directors ("Board") of **ELEGANT MARBLES & GRANI INDUSTRIES LIMITED** ("the Company") in its meeting held on August 12, 2014 pursuant to the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder ("Act") and Clause 49 of the erstwhile Equity Listing Agreement ("Listing Agreement"). The constitution, composition and role of the Committee is also in line with the provisions of Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

1. DEFINITIONS

- i. "**Act**" means The Companies Act, 2013.
- ii. "**Company**" means the Elegant Marbles & Grani Industries Limited;
- iii. "**NRC or Committee**" means Nomination and Remuneration Committee of Board of Directors of the Company;
- iv. "**Board**" means Board of Directors of the Company;
- v. "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- vi. "**Key Managerial Personnel**" means:
 - a. Chief Executive Officer or Managing Director or the manager;
 - b. Company Secretary
 - c. Whole-time Director;
 - d. Chief Financial Officer;

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- e. 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; and
- f. such other officer as may be prescribed.
- vii. **“senior management”** shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the [“chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.]

2. PURPOSE

This policy is enacted mainly to deal with the following matters, falling within the scope of the Committee:

- a. To institute processes which enables the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel and/or in Senior Management and recommend to the Board of Directors their appointment and removal from time to time;
- b. To devise a policy on Board Diversity;
- c. To review and implement the succession and development plans for Managing Director, Executive Directors and officers forming part of Senior Management;
- d. To formulate the criteria for determining qualifications, positive attributes and independence of Directors;
- e. To establish evaluation criteria of Board, it’s Committees and each Director;
- f. To ensure that the remuneration paid to Directors/ Key Managerial Personnel / Senior Management is reasonable and sufficient to attract, retain and motivate them;
- g. To ensure the remuneration paid is commensurate with performance and meets appropriate performance benchmarks;
- h. To ensure the remuneration payable 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 goals;
- i. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

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- j. To perform such other functions as may be necessary or appropriate for the performance of its duties;
- k. such other key issues/matters as may be referred by the Board or as may be necessary under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Companies Act, 2013 & Rules thereunder and such other regulations and laws as maybe applicable to the Company for the time being in force.

3. BOARD OF DIRECTORS

i. Identification, Nomination & Board Diversity

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

In designing the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The Company shall not appoint or continue the employment of any person as 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.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the Corporate Governance Report annually

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ii. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time 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.

b) Independent Director:

An Independent Director shall hold office for a term up to **five** consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

ii. Evaluation Process

The Board on recommendation of the Committee, has approved an Evaluation Framework for effective evaluation of performance of the Board, its Committees and individual directors. The Board/ Committee conduct an assessment of the performance of the Board, its Committees and individual directors against the said Evaluation Framework.

The performance evaluation of Independent Directors shall be done by the entire Board, on the basis of recommendations of the Committee (excluding the Director being evaluated).

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iii. Training and Development

The Company shall periodically organize sessions under the familiarisation programme for the Directors including Independent Directors to apprise them with the business operations of the Company and also let them know their roles, rights and responsibilities in the Company to enable them to make effective contribution and discharge their functions as a Board Member.

The Committee shall approve training policies, including new Director orientation and continuing education requirements, for Non-executive and Independent Director.

iv. Succession Planning

The Committee shall review and implement succession and development plans.

v. Criteria for determining qualifications, positive attributes and independence of Directors

The Committee shall follow the principles enshrined in the Act and the SEBI Listing Regulations while fixing the criteria for determining the qualifications, positive attributes and independence of Directors, at all times.

4. KEY MANAGERIAL PERSONNEL (“KMP”) AND SENIOR MANAGEMENT

i. Identification & Nomination

The Committee shall identify the persons who may be appointed as KMP and Senior Management, taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it deems appropriate.

The Committee shall recommend to the Board the appointment (including remuneration and subsequent changes in the remuneration, if any) and removal of KMP and Senior Management of the Company.

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ii. Terminations and Severances

The Committee shall also review terminations/ replacements/ severance of employments of KMP and Senior Management.

5. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

i. Remuneration to Managing Director / Whole-time Directors:

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, managers shall be governed as per provisions of the Section 197 read with rules made there under and in accordance with Schedule V, of the Companies Act, 2013 or any other enactment for the time being in force.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

ii. Remuneration to Non- Executive / Independent Directors:

The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The remuneration/ compensation payable to Non- Executive / Independent Directors (excluding payment of sitting fees for attending meetings if made within the limits prescribed under the provisions of Companies Act, 2013 for payment of sitting fees without approval of the Central Government) shall be subject to approval of shareholders in general meeting.

The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee for consideration of Board.

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An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

iii. Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

6. IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members.

7. AMENDMENTS TO THE NOMINATION AND REMUNERATION POLICY

This Policy may be amended or substituted by the Board as and when required specifically where there are any statutory amendments necessitating the change in the policy.

Amendments to the Policy:

(a) First Revision on **August 12, 2014**, for reflecting:

- change in applicable provisions, pursuant to repeal of Equity Listing Agreement and enactment of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

(b) **June 24, 2021** for reflecting amendments in the SEBI Listing Regulations.