

GOVINDAH NUTRITION LIMITED

(Previously known as Govindah Nutrition Private Limited)

CIN: U15110MP2017PLC044463

Reg. Ofc: EB 258 Scheme No. 94, Nr. Bombay Hospital, Indore,
Madhya Pradesh, India, 452010

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NOMINATION AND REMUNERATION POLICY **OF** **GOVINDAH NUTRITION LIMITED** **(Formerly Govindah Nutrition Private Limited)**

1. REGULATORY FRAMEWORK

- 1.1** This policy ("Policy") of GOVINDAH NUTRITION LIMITED (Formerly Govindah Nutrition Private Limited) ("**Company**") has been prepared and adopted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Companies Act, 2013 ("**Act**") read with the Companies (Amendment) Act, 2017 along with circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.
- 1.2** Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR requires the Nomination and Remuneration Committee to formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, criteria for evaluation of performance, board diversity etc.
- 1.3** The Nomination and remuneration Committee ("**Committee**") shall meet atleast once in a year and among other functions, shall also review the Policy periodically and may amend the same from time to time, as deemed necessary.

2. OBJECTIVES OF THIS POLICY:

This policy aims to formulate certain criteria for the following activities with regards to its directors, key managerial personnel and senior management:

2.1 Selection, appointment and removal;

2.2 Recommendation of remuneration;

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2.3 Evaluation of performance;

2.4 Board diversity.

3. DEFINITIONS

3.1 “Key Managerial Personnel” or “KMP” in relation to a Company, means-

3.1.1 the Chief Executive Officer or the managing director or the manager;

3.1.2 the company secretary;

3.1.3 the whole-time director;

3.1.4 the Chief Financial Officer;

3.1.5 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

3.1.6 such other officer as may be prescribed.

3.2 “Net Profit” shall be calculated as per section 198 of the Companies Act, 2013.

3.3 “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.

4. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

4.1 The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a Director, KMP and senior management.

4.2 The person to be appointed as a Director, KMP or in the senior management should possess adequate qualification, experience and expertise for the position he or she is considered for based on the Company’s strategy and needs.

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- 4.3 The Committee shall have the discretion to decide whether such qualification, experience and expertise of the person is sufficient for him or her to effectively discharge duties of the concerned position.
- 4.4 The person to be appointed as Director, KMP or in the senior management, should possess impeccable reputation for integrity, efficiency, expertise, insights and accomplishments in sectors or areas relevant to the Company's industry.
- 4.5 The person's personal and professional standing must be such that it helps him or her to best complement the other Board members thereby contributing effectively towards Company's growth.
- 4.6 The Committee shall consider the potential candidates on merit alone.
- 4.7 The person must also fulfil the minimum and/or maximum age criteria as applicable under the provisions of the Act and SEBI LODR regulations and take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria.

5. APPOINTMENT AND REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT

- 5.1 The Committee shall ensure that the size and composition of the Board, KMP and the senior management satisfies the provisions of the Act and SEBI LODR regulations.
- 5.2 The Committee shall identify persons who are qualified to become directors, KMP's and who may be appointed in the senior management with regard to the attributes as specified under clause 4 of this policy and such other qualifications or attributes as the Committee or board may deem necessary from time to time.
- 5.3 The Committee while considering a person for appointment as director, shall verify that the said person is not debarred from holding the office of director pursuant to any SEBI order.
- 5.4 The Committee shall then recommend the identified candidates to the Board for final selection and appointment.
- 5.5 The chairperson of the Board shall be a non-executive director and shall not be related to the Managing Director or the Chief Executive Officer of the Company as per the definition of term "relative" under the Act.

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- 5.6** In case of directors, the Committee shall ensure that the number of directorship held by each director in other companies is below the specified limit under the Act and SEBI LODR regulations and amendments made from time to time.
- 5.7** The Committee shall also ensure that any person appointed as independent director does not have any material pecuniary relationship with the Company, its holding, subsidiary or associate company, or company's promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI LODR and amendments made from time to time.
- 5.8** A whole-time KMP of the Company shall not hold office at the same time in more than one Company except in its subsidiary company. However, a whole-time KMP can be appointed as a director in any Company subject to the same being intimated to the Board or being in accordance with the policy of the Company.
- 5.9** The Committee shall review the performance of the Board, KMP and senior management from time to time and establish succession plans in order to ensure uninterrupted functioning of the board.
- 5.10** The Committee may recommend removal of any director or KMP to the Board with reasons in writing explaining the breach of company policy or any disqualifications or other such criteria for removal in line with the provisions of the Act, SEBI LODR, rules and regulations made thereunder including any amendments made from time to time.

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5.11 The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

6. TERMS OF APPOINTMENT

6.1 Managing Director / whole - time director / Executive director / Non-executive director

6.1.1 The Board shall appoint or re-appoint any person as a managing director, whole-time director or manager for a term not exceeding five years (5 years) at a time subject to approval by the members at the next annual general meeting.

6.1.2 Not less than two-thirds of the total number of directors (excluding independent directors) shall be liable to retirement by rotation at every annual general meeting as per the provisions of the Act and SEBI LODR as applicable.

6.1.3 The directors retiring by rotation at every annual general meeting shall be those who have been longest in the office since last appointment; the retiring director amongst directors appointed on the same day shall be determined by a lot.

6.1.4 At the annual general meeting at which a director retires by rotation, the Company may fill up the vacancy either by appointing the retiring director or some other person as may be deemed fit.

6.2 Independent Director

6.2.1 The term of appointment of an Independent Director shall be up to five years (5 years) but he or she shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report.

6.2.2 No independent director shall hold office for more than two consecutive terms but shall become eligible for appointment after expiration of three years (3 years) cool off period, provided that he or she shall not be appointed or associated with the Company in any other capacity, either directly or indirectly during such period.

6.3 KMP and senior management

6.3.1 The term of appointment and subsequent retirement of KMPs and senior management shall be as per the provisions of the Act, SEBI LODR, other rules or

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regulations including any amendments made from time to time and prevailing policy of the Company.

7. CRITERIA FOR RECOMMENDATION OF REMUNERATION

7.1 Executive Directors / Whole time directors / Managing Directors

7.1.1 The remuneration to the Managing Director and other Executive directors shall be broadly divided into fixed and variable components. The Fixed components shall comprise of monthly salary, allowances, perquisites, amenities and other retirement benefits. The variable component shall comprise of performance based annual commission.

The performance criteria are individual performance based on annual targets, Company's performance and recent compensation trends in the industry.

7.1.2 Subject to provisions of the Act and SEBI LODR, the remuneration payable shall be approved by the Board of Directors at the time of appointment subject to approval by shareholders by passing an ordinary resolution at the next general meeting of the Company.

7.1.3 The overall remuneration payable to all the directors of the Company including managing director and whole-time directors in respect of any financial year shall not exceed 11% of the net profits of the Company.

7.1.4 Remuneration payable to any one managing director; or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director, the remuneration shall not exceed 10% of the net profits of all such directors and manager taken together.

7.1.5 Payment of remuneration in excess of the above statutory limits shall be done by recording of clear reason and justification and obtaining approval of shareholders through special resolution as per the provisions of the Act, SEBI LODR and amendments made thereto from time to time.

7.1.6 The fees and compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if –

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- i The annual remuneration payable to such executive director exceeds rupees five crore (5 crore) or 2.5 percent (2.5%) of the net profits of the Company, whichever is higher; or
- ii Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent (5%) of the net profits of the Company

Such approval shall be valid only till the expiry of the term of such director.

7.2 Independent Directors / Non-executive Directors

7.2.1 The remuneration to Non-Executive Directors shall consist of sitting fees for attending Board/ Committee meetings, commission and other reimbursements.

7.2.2 Such remuneration payable to non-executive directors if exceeds the limit of 1% of the net profit of the Company as specified under the Act, shall require approval of shareholders by passing a special resolution at the general meeting of the Company.

7.2.3 All the Non-executive, Non-promoter Directors shall be paid commission on uniform basis.

7.2.4 The Independent directors shall not be entitled to any stock options under the stock option scheme of the Company.

7.2.5 The Company shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by the board of directors.

7.3 KMP, Senior Management and senior employees one or two level below the BOD

7.3.1 In respect KMPs, senior management and other employees the remuneration shall be payable based on the person's performance, Company's performance, targets achieved, industry benchmark and compensation trends in the industry.

7.3.2 The remuneration shall consist of monthly salary, bonus, perquisites, KPI and other retirement benefits as per the prevailing policy of the Company.

7.3.3 The Committee shall recommend and finalize the salary and other perks payable to the senior management.

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7.4 Other common criteria

The Committee shall also consider the following criteria with regards to recommendation of remuneration:

7.4.1 the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate potential candidates of the quality required to run the Company successfully;

7.4.2 relationship of remuneration to performance shall be clear and able to meet appropriate performance benchmarks;

7.4.3 in line with best governance practices and legal requirements;

7.4.4 remuneration to directors, KMPs and senior management shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and

7.4.5 Ensure high quality of work.

8. CRITERIA FOR EVALUATION OF PERFORMANCE OF DIRECTORS

8.1 The evaluation process for performance of the Board, its Committees and directors shall be carried out as per the provisions of the Act and the SEBI LODR regulations.

8.2 The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by this Committee or by an Independent external agency and also review its implementation and compliance.

8.3 Each director shall be provided with a questionnaire to be filled up, providing feedback on the overall functioning of the Board and its committees.

8.4 The questionnaire shall cover various parameters such as composition, execution of specific duties, quality and timelines of flow of information, discussions and deliberations of different items of agenda, independence of judgements etc.

8.5 The directors shall also be asked to provide their suggestions for areas of improvements to ensure higher degree of engagement with the management.

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8.6 The Independent Directors shall have a meeting atleast once in a year to review the performance and evaluation of the non-independent/non-promoter directors and the entire Board as a whole including the Chairman.

8.7 The evaluation of individual directors shall be carried out considering factors such as contribution, attendance, expertise, decision making skills and other related factors as may be deemed necessary in this exercise.

8.8 The evaluation of independent directors shall be done by the entire board of directors (excluding the directors being evaluated) with respect to –

8.8.1 performance of the directors; and

8.8.2 fulfillment of the independence criteria as per the provisions of the Act and SEBI LODR regulations and their independence from the management.

9. BOARD DIVERSITY

9.1 Board diversity is an important aspect that makes use of differences in the skills, regional and industrial experience, background, gender and other distinctions to gain competitive advantage in the market.

9.2 The Committee shall periodically review the size and composition of the Board to ensure its structure in terms of different perspectives, skills and expertise in the board room.

9.3 The Committee shall strive to maintain a proper balance in terms of diversity in gender, thought, experience, knowledge and perspective when recommending persons for appointment to the Board.

10. DISCLOSURE REQUIREMENTS

10.1 The Company shall disclose in its Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

10.1.1 The list of core skills/ expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and

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10.1.2 The names of directors who have such skills/ expertise/ competence.

10.2 The Company shall also disclose in its Corporate Governance Report a confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI LODR and are independent of the management.

10.3 The Corporate Governance Report shall also include detailed reasons for the resignation of any independent director who resigns before the expiry of his or her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

10.4 This policy shall be uploaded on the website of the Company i.e. <https://milkmaster.govinmilk.com/>.

10.5 The salient features of this policy and any changes made therein in brief along with a weblink to the policy shall be provided in the Board's Report.

11. LIMITATION AND AMENDMENT

11.1 In the event of any conflict between the provisions of this policy and the Act or SEBI LODR or any other statutory requirements, rules, regulations, enactments, the provisions of such Act or SEBI LODR or any other statutory requirements, rules, regulations, enactments, the provisions shall prevail over this policy.

11.2 Any subsequent amendment/modification in SEBI LODR, Act and/ or applicable laws in this regard shall automatically apply to this policy.