



GKW LIMITED

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

The Nomination and Remuneration Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors in accordance with the requirement of Section 178 of the Companies Act, 2013 and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. DEFINITIONS AND INTERPRETATIONS

2.1 Unless the context requires otherwise, capitalized terms used in this Policy shall have the following meanings:

“**Act**” means the Companies Act, 2013 and any modifications thereto or amendments thereof.

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

“**Committee**” means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

“**Company**” means GKW Limited.

“**Director**” means a Director of the Company.

“**Independent Director**” means Director appointed in accordance with Section 149(6) of the Companies Act, 2013 and of the Listing Regulations.

“**Key Managerial Personnel**” or “**KMP**” means such person/persons as defined under Section 2(51) of the Companies Act, 2013.

“**Listing Agreement**” shall mean the Listing Agreement executed between the Company and the relevant stock exchange(s), as amended from time to time.

“**Listing Regulations**”, shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

“**Other Employees**” means all the employees other than the Directors, KMPs and the Senior Management Personnel.

“**Senior Management Personnel**” or “**Senior Management**” or “**SMP**” such person/persons as defined under the Act and the Listing Regulations, from time to time.



- 2.2 Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act or the Rules made thereunder (as may be amended from time to time or the Listing Regulations, shall have the meaning respectively assigned to them in the Act the Rules made thereunder, or the Listing Regulations.

3. PURPOSE, FUNCTION AND OBJECTIVE

3.1 The objectives of the Policy include the following:

3.1.1 To identify and/or evaluate persons who are qualified to become directors, KMP and Senior Management personnel after taking into account the qualifications, positive attributes and independence and recommend to the Board their appointment/removal.

3.1.2 To determine that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully and recommend to the Board a policy, relating to the remuneration of the directors, KMP and other employees;

3.1.3 That co-relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

3.1.4 That 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 goals.

4. GENERAL

4.1 This policy shall be applicable to all Directors, KMP, Senior Management Personnel and other Employees of the Company.

4.2 The policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.

4.3 The Policy relating to remuneration and the evaluation criteria shall be placed on the website of the Company and the web link shall be disclosed in the Annual Report of the Company.

5. MATTERS TO BE DEALT, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

5.1 The Committee shall *inter alia*:

5.1.1. make recommendations to the Board with respect to remuneration for Managing Director(s)/ Wholetime Director(s) and remuneration to non-executive Director(s)/Independent Directors.

5.1.2. identify persons who are qualified to become Director(s)/ KMP and SMP.

- 5.1.3. recommend to the Board, appointment / removal of Director(s)/ KMP and SMP of the Company.
 - 5.1.4. formulate criteria for determining qualification, positive attributes and independence of Directors.
 - 5.1.5. review the performance of Managing Director/Wholetime Director/Independent Director at the time of re-appointment.
 - 5.1.6. assist the Board in the establishment and implementation of an appropriate performance evaluation / self-assessment process for the members of the Board and its committees.
 - 5.1.7. formulate criteria for performance evaluation of Board, Independent/Individual Directors including Chairperson and Committees of the Board.
 - 5.1.8. devise a policy on Board diversity.
 - 5.1.9. carry out any other responsibilities and duties delegated to it by the Board from time to time.
 - 5.1.10. carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions.
- 6. POLICY AND CRITERIA FOR IDENTIFICATION, APPOINTMENT, TENURE, EVALUATION, RETIREMENT AND REMOVAL OF DIRECTORS/ KMP/SMP/OTHER EMPLOYEES**
- 6.1 Identification and Appointment criteria and qualifications of Directors/KMPs/SMPs**
- 6.1.1 Any person who in the opinion of the Board is not disqualified to become a Director, under Section 164 of the Companies Act, 2013 and who in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.
 - 6.1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), KMP, Senior Management personnel and recommend to the Board his/her appointment.
 - 6.1.3 Such 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 person.
 - 6.1.4 For every appointment of an Independent Director, the Committee shall evaluate the skills, knowledge, expertise 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. considers candidates from a wide range of backgrounds, having due regard to diversity;
- c. consider the time commitments of the candidates.

6.1.5 The Company may also appoint or continue the employment of any person as a Managing Director or a 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 subject to the provisions of Section 196 read with the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Schedule (V) of the Companies Act, 2013.

7. TERM/TENURE

7.1 Managing Director/ Whole-time Director:

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

7.2 Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board 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.

Subject to the provisions of Section 152(2) of the Companies Act, 2013 no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry 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.

At the time of appointment of Directors (including Independent Directors) the Committee should ensure that the persons proposed to be appointed as Directors (including Independent Directors) do not exceed the maximum number of directorships a person can hold as per applicable laws.



8. CRITERIA FOR PERFORMANCE EVALUATION OF BOARD, INDEPENDENT/INDIVIDUAL DIRECTORS INCLUDING CHAIRPERSON AND COMMITTEES OF THE BOARD

The criteria for evaluation depend on the role the Director plays in the company. The evaluation of the Chairperson will have the leadership, coordination and steering skills,

etc. which will be different from the role of other directors. The criteria for every evaluation will be decided at every level depending on the functions, responsibilities, competencies required, nature of business, etc.

While evaluating the performance of the Board, the Committees or the Directors, and achieve the objective of the entire process assistance can be taken from the guidance note issued by SEBI on Board Evaluation.

The Performance evaluation of Board, its Committees thereof and individual Directors, shall be carried out yearly or at such intervals as may be considered necessary.

9. EVALUATION

9.1 Evaluation of Directors:

In terms of Section 149 of the Act read with Schedule IV of the said Act and the Listing Regulations the Independent Directors shall at its separate meeting without the attendance of non-independent directors and members of management shall review the performance of Chairperson, Non- Independent Directors and the Board as a whole based on the parameters that are considered relevant by the Independent Directors.

The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

9.2 Evaluation of KMP and Senior Management Personnel

Criteria for evaluating performance of KMP (other than Directors) and SMP has been delegated to the Managing Director/Wholetime Director of the Company who shall report his evaluation to the Committee at the time of annual increment of KMP and SMP.

9.3 Evaluation of other employees

The evaluation performance of other Employees shall be delegated to the functional head of the Department.

10. REMOVAL

10.1 Subject to the provisions of applicable laws, the Committee may recommend to the Board, with reasons recorded in writing, removal of a Director/KMP/SMP.

10.2 Power to remove other Employees has been delegated to the Managing Director/Wholetime Director as per Clause 16(B).



11. RETIREMENT

- 11.1 Subject to the provisions of applicable laws, the Managing Director/Wholetime Director, KMPs (other than Director), Senior Management Personnel and Other Employees shall retire as per the prevailing policy of the Company.
- 11.2 Subject to the provisions of applicable laws, the Committee may recommend to the Board and Board may, at its discretion, retain Managing/Wholetime Directors/KMP/SMP, at remuneration it deems fit, even after attainment of the applicable retirement age, for the benefit of the Company.
- 11.3 Other employees may be retained with such remuneration as may be decided by the Managing Director/Wholetime Directors with delegated power as per Clause 15(B).

12. POLICY RELATING TO THE REMUNERATION OF THE DIRECTOR/ KMP/SMP

- 12.1 The remuneration/ compensation/ commission etc. to Directors (including Managing Director/Wholetime Director) and their remuneration will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- 12.2 The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Act, and the rules made thereunder for the time being in force.
- 12.3 Increments to the existing remuneration/ compensation structure payable to Directors shall be recommended by the Committee to the Board which should be approved by the shareholders, and where the range of remuneration has been approved, the remuneration should be within such range or slabs.
- 12.4 Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 12.5 If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval as may be required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- 12.6 The Company shall not waive recovery of such sum refundable to it unless approved in terms of Section 197 (10) of the Act.

Remuneration to Managing Director/Wholetime Director/Executive Directors:

Fixed Pay:

Managing Director/Wholetime Directors/Executive Directors shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.



The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors (excluding Independent Directors) in accordance with the provisions of Schedule V of the Act.

Remuneration to Non-Executive Directors and Independent Directors:

Remuneration/ Commission:

The remuneration/ commission shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

Sitting Fees:

The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or its committee.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Remuneration to KMPs and SMPs:

KMPs (other than Directors) and SMPs shall be eligible to monthly remuneration and quantum of perquisite including employer's contribution to Provident Fund, pension scheme, medical expenses, etc. shall be recommended by the Committee to the Board.

Increments to the existing remuneration/ compensation structure payable to KMPs and SMPs would be recommended by the Committee to the Board.

Remuneration to Other Employees:

The Company will determine from time to time the remuneration payable to Other Employees. The powers of the Committee in this regard have been delegated to the Personnel Department of the Company in conjunction with the respective departmental heads, and based on performance criteria of the Company and duly approved by the Managing Director/Wholetime Director.

13. POLICY ON BOARD DIVERSITY

With a view to achieving a sustainable and balanced development, the Company envisages appropriate diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company while appointing may consider the following criteria; i.e. appoint those persons who possess relevant experience, integrity, understanding, knowledge or other skill sets that



may be considered by the Board as relevant in its absolute discretion, for the business of the Company etc.

The Board shall have the optimum combination of Directors of different genders, areas, fields, backgrounds and skill sets as maybe deemed necessary.

The Board shall have members who have accounting or related financial management expertise and are financially literate.

14. DISCLOSURE OF INFORMATION

Disclosures required under applicable laws and accounting standards regarding the remuneration paid by the Company shall be made in the financial statements of the Company.

15. AMENDMENT

Any change in this Policy shall, on recommendation of the Committee, be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

16. IMPLEMENTATION AND REVIEW

- (A) The Committee is responsible for the monitoring, implementation and review of this Policy. The Committee shall provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company. The Board shall review the (i) contents of and (ii) compliance with this Policy at regular interval.
- (B) Notwithstanding anything to the contrary contained in this Policy:

The Committee has delegated its powers under this Policy with respect to employees (other than Directors/KMP/SMP) to the Managing Director/Wholetime Director of the Company to take final decisions with respect, the extension after attainment of applicable retirement age/employee welfare measure including removal as referred to in Clause 10.2. The Committee also delegates its powers under this Policy with respect to KMP/SMP/other Employees to the Managing Director/Wholetime Director with respect to grant of loans (with or without interest as per statutory provisions) under the Company's rules/regulations or otherwise.



The Chairman of the Nomination and Remuneration committee shall strive to present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

Date of Original adoption / Amendment
11th November, 2014
13 th May, 2015
28 th January, 2016
13 th February, 2017
31 st January, 2018
12 th February, 2025

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