COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Preface

In terms of the provisions of Section 178 of the Companies Act, 2013, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors.

The Nomination and Remuneration Policy is as follows:

1. Role of the Committee

a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
b) To formulate criteria for determining qualifications, positive attributes and independence of Directors.
c) To recommend to the Board remuneration policy related to the remuneration of Directors (whole-time directors, executive directors, etc.), key managerial personnel and other employees while ensuring the following:

i. The level and composition of remuneration reasonable & sufficient to attract, retain, and motivate directors and the quality required to run the company successfully.
ii. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
iii. The remuneration to directors, key managerial persons and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objects, appropriate to the working of the company and its goals.

d) Specify the manner for effective evaluation of the performance of the Board, its committees, and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
e) To devise a policy on Board diversity.

2. Membership

a) The committee shall consist of a minimum of 3 non-executive directors, the majority of them being independent.
b) A minimum of two members shall constitute a quorum for the committee meeting.
c) Membership of the committee shall be disclosed in the Annual Report.
d) The term of the committee shall be continued unless terminated by the Board of Directors.

SAFFRON INDUSTRIES LTD. NAGPUR

3. **Chairman**

a) The Chairman of the Committee shall be an independent director
b) The Chairman 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) The Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or nominate some other member to answer the shareholders' queries.

4. **Frequency of the meeting**

The meetings of the committee shall be held at such regular intervals as may be required.

5. **Committee members' interest**

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 meeting of the committee.

6. **Secretary**

The Company Secretary or any other person as may be decided by the committee shall act as a Secretary to the committee.

7. **Voting**

a) Decisions of the Committee 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.

8. **Minutes of committee meeting**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting.

SAFFRON INDUSTRIES NAGPUR

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

   a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

   b. 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.

2. **Remuneration to Non-Executive/Independent Director:**

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

   b. All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

   c. 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.

   d. Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

      i. The Services are rendered by such Director in his capacity as the professional; and
      ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

SAFFRON INDUSTRIES L
NAGPUR

Regd. Off. : Nava Bharat Bhavan, Chhatrapati Square, Wardha Road, Nagpur - 440015. Tel. : 0712 - 2284001
e-mail : info@saffronindustries.in, Website : www.saffronindustries.in
Factory : Village Manegaon, Taluka-Saoner, Dist. Nagpur. Ph. : (07113) 232401 / 232398 Fax : (07113) 232400

3. Remuneration to Key Managerial Personnel and Senior Management

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

b. The Fixed pay shall include monthly remuneration, employer's contribution to the provident fund, contribution to the pension fund, pension schemes, etc. as decided from to time by the company at its discretion.

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

SAFFRON INDUSTRIES LTD NAGPUR