

SK MINERALS & ADDITIVES LIMITED

NOMINATION AND REMUNERATION POLICY

BACKGROUND

This Nomination and Remuneration Policy (“**Policy**”) is being formulated in terms of Section 178 of the Companies Act, 2013 (“**the Act**”) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulation**”), as amended from time to time.

This Policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) and other employees has been formulated by the Nomination and Remuneration Committee (“**the Committee**”) which shall act as a guideline for determining, inter alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Managerial Personnel.

1. OBJECTIVE

1.1. The Key Objectives of the Committee is to:

- 1.1.1.** To formulate the criteria for determining qualifications, competencies, positive attributes and independence for recommendation of appointment of a director (executive/ non-executive/ independent) to the Board ; and
- 1.1.2.** To specify the manner for effective evaluation of performance of Board, its Committees, Individual Directors, to be carried out either by the Board, the Committee, or by an Independent external agency and review its implementation and compliance.
- 1.1.3.** To recommend policy relating to the remuneration of the Directors, KMP and other employees to the Board of Directors of the Company ("Board").

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other Independent Directors (as directed by the Board), determine and approve executive Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMPs and SMPs compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

2. DEFINITIONS

- 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.** “**Committee**” means the nomination and remuneration committee of the Board;
- 2.4.** “**Directors**” mean members of the Board.
- 2.5.** “**Key Managerial Personnel**” (KMP) means:
 - 2.5.1.** Managing Director or Chief Executive Officer or Manager;
 - 2.5.2.** Whole-time Director;
 - 2.5.3.** Chief Financial Officer; and

2.5.4. Company Secretary.

- 2.6. “Listing Regulation”** means Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- 2.7. “Senior Management or Senior Managerial Personnel”** means functional heads of the Company excluding the Board of Directors comprising all members of the management one level below the executive director.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. NOMINATION AND REMUNERATION COMMITTEE

- 3.1.** The Board has constituted the “Nomination and Remuneration Committee” on 10th March, 2025.

3.2. Membership:

The Committee shall consist of:

- 3.2.1.** At least three non-executive directors.
- 3.2.2.** A minimum of two-thirds of the members shall be independent directors.
- 3.2.3.** The Chairperson of the Committee shall be an independent director.

3.3. Term of Reference:

- 3.3.1.** Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- 3.3.2.** Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 3.3.3.** Specify the manner for effective evaluation of performance of Independent Directors, the Board and its committees and other individual directors and further review its implementation and compliance;
- 3.3.4.** Devising a policy on Board diversity
- 3.3.5.** Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- 3.3.6.** All information about the Directors / Managing Directors / Whole time Directors / Key Managerial Personnel i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;
- 3.3.7.** The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors;
- 3.3.8.** While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;

3.3.9. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;

3.4. Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required but not less than one meeting in a year.

3.5. Agenda, Minutes & Reports:

Meeting of the Committee can be held whenever required. The Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3.6. Committee Members' Interests:

3.6.1. 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.

3.6.2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

3.7. Secretary:

The Company Secretary of the Company shall act as Secretary of the Committee.

3.8. The Board has authority to reconstitute this Committee from time to time.

4. POLICY FOR APPOINTMENT, TENURE, EVALUATION AND REMOVAL OF DIRECTOR, KMP AND SMP

4.1. Appointment Criteria and Qualifications:

4.1.1. The Committee shall identify and ascertain the integrity, qualification, expertise, and experience of the person for appointment as Director and KMP.

4.1.2. A person should possess adequate qualification, expertise, and experience for the position he 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.

4.1.3. The Company shall not appoint or continue to have any person as Whole-time Director who has attained the age of seventy years and shall not appoint or continue any person as Independent Director who has attained the age of seventy-five years, provided that the term of the person holding such position may be extended beyond the age of seventy years/seventy-five years with the approval of shareholders by passing a special resolution.

4.1.4. Basis the performance evaluation report of an Independent Director, the committee shall recommend to the Board, whether to extend or continue the term of appointment of the Independent Director.

4.2. Term/ Tenure:

4.2.1. Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 05 (Five) years at a time. No re-appointment shall be made earlier than 01 (One) year before the expiry of term.

4.2.2. Independent Director:

An Independent Director shall hold office for a term up to 05 (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 02 (Two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 03 (Three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 03 (Three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The company shall provide suitable training to the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

4.3. Evaluation:

4.3.1. The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

4.3.2. Evaluation Criteria:

- i. Contribution to strategic decision-making.
- ii. Leadership in driving the company's growth.
- iii. Adherence to ethical and governance standards. The Committee may engage third-party facilitators for unbiased evaluations.

4.4. Criteria for evaluation:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of Non-Independent Directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

4.5. Removal:

4.5.1. Subject to the applicable provisions of the Companies Act and Listing Regulation, the Committee may recommend the removal of any of the Directors on the Board of the Company if he has incurred disqualification under Section 164 of the Act or as per Section 167 or Section 169 of the Act. The reason for removal needs to be recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations and forward it to the Board of Directors for their consideration.

4.5.2. Due to reasons for any disqualification mentioned in the Act 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 or KMP subject to the provisions and compliance of the said Act, Rules and Regulations.

4.6. Retirement:

The Directors, KMP and SMP shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and SMP in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

5. POLICY FOR REMUNERATION TO DIRECTORS, KMP AND SMP

5.1. General:

5.1.1. The remuneration/ compensation/ commission, etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.

5.1.2. The remuneration and commission to be paid to the Managing Director/ Whole-Time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

5.1.3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.

5.1.4. Where any insurance is taken by the Company on behalf of its Directors, KMP and SMP 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.

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

5.2.1. The Remuneration/ Commission to be paid to Managing Director/ Whole time Directors 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 and the Central Government, as the case may be.

- 5.2.2. 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.

5.3. Remuneration to Non-Executive/ Independent Directors:

- 5.3.1. 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.
- 5.3.2. 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 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 such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or Shareholders, as the case may be.

5.4. Remuneration to KMP and SMP:

- 5.4.1. The remuneration to KMP and SMP 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.
- 5.4.2. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc., as decided from time to time.
- 5.4.3. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the KMP and SMP to be decided annually or at such intervals as may be considered appropriate.

5.5. Remuneration to other employees:

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chairperson & Managing Director, in consultation with the Head - HR.

6. SCOPE AND LIMITATIONS

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations/ Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be served from the Policy and rest of the Policy shall remain in force.

7. REVIEW OF THE POLICY

- 7.1.** Any change in the Policy shall 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.
- 7.2.** In case any provisions of the Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations (“Statutory Provisions”), the provisions of Statutory Provisions shall prevail.

8. DISSEMINATION OF THE POLICY

This Policy and any amendments thereto shall be published/ posted on the website of the Company.
