

Savera Industries Limited
146, Dr. Radhakrishnan Road, Chennai – 600 004

NOMINATION AND REMUNERATION POLICY

Amended Feb 07, 2022

A. Nomination and Remuneration Policy: The Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirement), 2015, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors. The following are the salient features of the Policy:

B. Objective:

The objective of the policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and other employees of the quality required to run the Company successfully;
- There is a transparent and consistent system of determining the appropriate level of remuneration across all levels of the Company;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

C. Appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel:

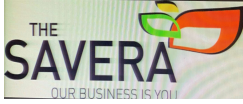
a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend his / her appointment, as per the Company's Policy. Similarly, for appointments to Senior Management, the person to be recruited shall have the qualification requisite for the role and should be one of integrity and expertise.

b) The NRC has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The NRC shall ensure that the person to be appointed as Director/ Managing Director/ Whole-Time Director does not suffer from any disqualification stipulated and also possesses all the qualifications stipulated under the Companies Act, 2013. Wherever required, any such appointment shall be made with the requisite approval of the Central Government.

d) 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.

e) Each Executive Director will enter into a contract with the Company clearly setting out the terms and conditions and the remuneration package for that person. The contract will set out the



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expectations for the performance of the role and criteria for assessment. The NRC and the Board must approve all such contracts.

f) Independent Directors shall be issued a letter of appointment containing the terms and conditions of appointment, expectations from them and the benefits available for such Independent Directors. The appointment letter shall be approved by the NRC and the Board before it is issued to Independent Directors.

g) Key Managerial and Senior Management Personnel (both contractual & permanent) will be issued a Letter of Appointment clearly setting out the terms and conditions and the remuneration package. This appointment will be accompanied with a detailed Job Description stating the Key Responsibility Areas (KRAs) of that respective person. The Executive Director or Managing Director must approve such appointment letter and the same will be governed by the HR policy

D. Term / Tenure:

a) Managing Director / Whole-time Director: The Company may appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive 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:

i. 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.

ii. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

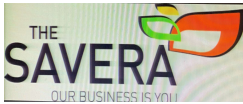
iii. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iv. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole- time Director of a listed company or such other number as may be prescribed under the Act.

v. The continuation of the term of an Independent Director is subject to the outcome of the annual evaluation process of the Director.

c) Key Managerial and Senior Management Personnel: Appointment as Key Managerial Personnel shall be without any time limit and as per the terms mentioned in the appointment letter. However, the maximum age for retirement of Key Managerial Personnel shall be as per the policy applicable for all the other employees of the Company. The continuation of Key Managerial Personnel shall also be dependent upon satisfactory performance evaluation. The Committee shall have the full freedom to recommend the removal of any Key Managerial Personnel if performance evaluation is found unsatisfactory.

E. Evaluation:



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- i. The NRC shall carry out evaluation of performance of Directors at yearly intervals or at such intervals as may be considered necessary. This shall include evaluation of Independent Directors.
- ii. The NRC shall recommend the performance evaluation criteria for Board approval. The evaluation criteria shall comprise the framework of evaluation applicable for Directors (including the Chairman and Independent Directors), the Board as a whole and various Committees of Directors.
- iii. The NRC shall also lay down the evaluation parameters (KRA's) of Key Managerial and Senior Management Personnel. These parameters shall be suitably incorporated in the Performance evaluation framework applicable to Key Managerial and Senior Management Personnel who shall be subject to annual evaluation process based on these parameters.
- v. A report on annual performance evaluation of the Key Managerial and Senior Management Personnel shall be placed before the NRC for suitable recommendations to the Board, if needed.

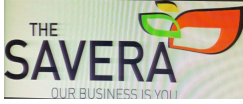
F. Remuneration details to Directors/KMP/Senior Management Personnel/Other Employees:

1) Remuneration to Managing Director/Whole-Time Directors:

- a) The Remuneration / Commission etc. to be paid to Managing Director / Whole Time Directors etc. shall be governed as per the 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 NRC shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole Time Directors.
- c) The Board in consultation with the NRC will from time to time determine the fixed remuneration level for Managing / Wholetime Directors. Such remuneration levels will be determined according to industry standards, market conditions and scale of the Company's business relating to the position.
- d) The Board in consultation with the NRC may determine incentive designed to create a strong relationship between performance and remuneration. However, such remuneration shall be within the limits specified by the Act and approval of shareholders.
- e) Termination benefits shall be as per the terms specified in the Contract.

2) Remuneration to Non- Executive / Independent Directors:

- 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 amount of sitting fees shall be such as may be recommended by the NRC and approved by the Board of Directors.
- b) 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 NRC 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.



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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.

e) The Board in consultation with the NRC will from time to time determine the Commission payable to Non-Executive Directors. Such Commission shall be within the limits specified by the Act / approved by Shareholders. The actual commission will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of the Company's business relating to the position.

3) Remuneration to Key Managerial and Senior Management Personnel:

a) The remuneration to Key Managerial and Senior Management Personnel 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.

b) 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. The Board in consultation with the NRC will, from time to time determine the fixed remuneration level. Such remuneration levels will be determined according to industry standards, market conditions and other factors.

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

4) Remuneration to Other Employees:

The Managing Director will approve the form of remuneration which may include fixed remuneration, termination payments and employee entitlement for other employees of the Company.

G. Adoption, Changes and Disclosure of Information

This Policy and any changes thereof are approved by the Board of Directors as may be deemed necessary by the Board.

The policy may be reviewed at such intervals as the Board or Nomination and Remuneration Committee may deem necessary.

Such disclosures of this Policy as may be required under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement), 2015 may be made.