



ANIK INDUSTRIES LIMITED

NOMINATION AND REMUNERATION POLICY

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1. INTRODUCTION

It is the endeavour of Anik Industries Limited (**‘Company’**) that its Nomination and Remuneration Policy (**‘Policy’**) should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive, and flexible. The Company strives that its Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and retirement benefits.

In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (“KMP”), Senior Management and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 (‘Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), this Policy on nomination and remuneration of Directors, KMP, Senior Management and other employees has been formulated and approved by the Board of Directors (‘Board’) of the Company. This Policy is amended on 21st May, 2019, 28th May, 2021, 13th April, 2023 and 27th January, 2025.

2. DEFINITIONS

- a. **“Board of Directors” or “Board”** means the “Board of Directors” of Anik Industries Limited, as constituted from time to time.
- b. **“Committee”** means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.
- c. **“Company”** means Anik Industries Limited.
- d. **“Directors”** means Directors of the Company.
- e. **“Independent Director”** means a Director of the Company, who meet the criteria of independence as per the governing provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. **“Key Managerial Personnel” or “KMP”** means key managerial personnel as defined under the Companies Act, 2013.
- g. **“Other employees”** means all employees other than the Directors, KMP and the Senior Management Personnel.
- h. **“Policy”** means the Nomination and Remuneration Policy.
- i. **“Senior Management”** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

3. CONSTITUTION OF THE COMMITTEE

- a. The Board of Directors shall determine the membership of the Nomination and Remuneration Committee.
- b. The Committee shall comprise of such number of Directors as provided in the governing provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. Chairperson of the Committee shall be an Independent Director.
- d. The Company Secretary shall act as Secretary to the Committee.

4. OBJECTIVE

The objective of this Policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management and other employees. The key objectives of the Committee would be:

- a. To lay down criteria for identifying persons who are qualified to become directors and who may be appointed as key managerial personnel and in senior management and to recommend to the Board their appointment and removal.
- b. To specify the manner for effective evaluation of performance of Board, its committees and individual directors.
- c. To formulate criteria for determining qualification, positive attributes and independence of Director.
- d. To recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel, Senior Management and other employees. While recommending such policy the Committee shall ensure:
 - i. 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.
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii. Remuneration of 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.
- e. To formulate a Board Diversity Policy.
- f. To review the succession plan for Senior Management of the Company.
- g. To retain, motivate and promote talent and to ensure long term sustainability of talented persons and create competitive advantage.
- h. To recommend to the Board, all remuneration, in whatever form, payable to senior management and KMPs.

- i. Carrying out such other function as may be delegated by the Board from time to time or as provided in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other law for the time being in force.

5. APPLICABILITY

The Policy shall be applicable on the Directors, KMP, Senior Management and other employees of the Company.

6. POLICY

6.1 Appointment Criteria and Qualifications

a. Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel:

- i. The members of the board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. or in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner. The Committee shall also examine the structure, composition and functioning of the Board and recommend changes, if necessary, to improve the Board's effectiveness.
- ii. Directors should possess high level of personal and professional ethics, positive attributes, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at appropriate decisions in the best interest of the Company. In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- iii. In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements.
- iv. Independent Directors shall be person of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/ strategy of the Company. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated).
- v. The candidate for the appointment as KMP and in Senior Management should possess adequate qualification, positive attributes, characteristics and work experience besides high level of personal and professional ethics, integrity and values. The Committee evaluates each individual with the objective of having a team that best enables the success of the Company's business and achieve its objectives.

b. Term / Tenure

The term/tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations.

The term/tenure of the KMP shall be governed as per the provisions of the Companies Act, 2013 and rules made thereunder, Listing Regulations and policy of the Company.

The term/tenure of Senior Management Personnel and other employees shall be as per the policy of the Company.

c. Removal

- i. Due to reasons for any disqualifications mentioned in the Companies Act, 2013, rules made thereunder, Listing Regulations or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director or KMP.
- ii. In addition to above, a Director or KMP may also be removed as per the Company's policy.
- iii. The removal of Senior Management Personnel and other employees shall be as per the Company's policy.

6.2 Board Diversity – Policy Statement

The Company shall set out the approach to have diversity on the Board in terms of thought, experience, knowledge, perspective and gender.

Board Diversity offer number of benefits:

- (i) Improving Board effectiveness and decision-making by tapping into a broader range of perspectives;
- (ii) Being more relevant by reflecting the diversity of a company's workforce and stakeholders;
- (iii) Signaling a more progressive company.

The term diversity typically refers to 'visible' indicators such as gender, age, and culture – including nationality, race or ethnic background. It may also include the individual's skills, exposure and experience.

The basic objective of Board Diversity Policy is to have a Board that offers a broad range of perspectives that are directly relevant to the business and organisation needs.

The Board shall consist of such number of Directors including at least one women Director and have optimum combination of executive and non-executive directors.

The composition of the Board shall be as per the provisions of the Companies Act, 2013 and Listing Regulations, for the time being in force.

The Committee will lead the process for Directors appointments. All Directors appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidate will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Additionally, the Committee may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge 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. For the purpose of identifying suitable candidates, the Committee may (i) use the services of external agencies, if required; (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and (iii) consider the time commitments of the candidates.

6.3 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non- Executive Director(s), KMPs, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

The remuneration should also 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.

1. Remuneration to Whole-time Director / Managing Director

The Whole-time Director / Managing Director shall be eligible for remuneration as may be approved by the shareholders and Board of Directors on the recommendation of the Committee in line with provisions of the Companies Act, 2013 and Listing Regulations.

While recommending the remuneration payable to Whole Time Director / Managing Director, the Committee shall, inter alia, consider the following matters:

- a. Financial and operating performance of the Company;
- b. Relationship between remuneration and performance;
- c. Industry/ sector trends for the remuneration paid to executive director;
- d. Such other matters as Committee deem fit.

Annual Increments to the Whole Time Director / Managing Director shall be within the maximum amount approved by the shareholders of the Company. Increments shall be recommended by the Nomination and Remuneration Committee to the Board of Directors at times it desires to do so but preferably on an annual basis.

2. Remuneration to Non-Executive Directors / Independent Directors

Non-Executive Directors / Independent Directors are paid remuneration by way of sitting fees and reimbursement of expenses for participation in the meeting of the Board of Directors or any duly constituted Committee thereof, subject to the governing provisions of the Companies Act, 2013 and Listing Regulations.

In addition to the above, they may also be paid remuneration by way of commission within the overall limit prescribed under the Companies Act, 2013 and Listing Regulations subject to the approval of Board of Directors and shareholders, as required.

The Independent Director shall not be entitled to any stock option of the Company.

3. Remuneration to Senior Management Personnel / KMPs

The remuneration in whatever form to be paid to KMP / Senior Management Personnel shall be based on the experience, qualification, expertise of the related personnel as well as the prevailing market conditions and shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and consonance with the limits, if any, prescribed under the Companies Act, 2013, Listing Regulations or in any other applicable enactment for the time being in force.

4. Remuneration to other Employees

The power to decide structure of remuneration for other employees has been delegated to the Management of the Company.

6.4 Evaluation

1. Criteria for evaluation of Directors:

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees will be formally evaluated annually in line with provisions of the Companies Act, 2013, Listing Regulations and as per Guidance Note on Board evaluation issued by SEBI, from time to time. In addition, the Committee / Board may consider additional criteria for evaluation of Directors, Board as a whole and its Committees as it may deem fit and appropriate to derive the best possible benefit and achieve the objective of the entire evaluation process. Further, the Board / Committee may take advice from an Independent Professional Consultant in developing the best methodology by using best standards and methods meeting international parameters for evaluation.

2. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:

The performance evaluation of Key Managerial Personnel and Senior Management Personnel shall be done as per Company's Policy.

3. Criteria for evaluating performance of Other Employees:

The performance evaluation of other employees shall be done as per Company's Policy.

7. DISCLOSURES

The Policy shall be uploaded on the website of the Company and the salient features of the Policy and changes therein, if any, along with web address of the Policy shall be disclosed in Board's Report.

8. REVIEW AND AMENDMENT:

- i. This Policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the Policy due to change in law, regulations or as may be felt appropriate by them. Any changes/amendment/modification in the Policy will be in writing and approved by the Board of Directors of the Company.
- ii. In case of any subsequent changes in the provisions of the Companies Act, 2013 or rules made thereunder, Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Act or Rules or Listing Regulations, then the provisions of the Act or Rules or Listing Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.
