

NOMINATION AND REMUNERATION POLICY

OF

SARVESHWAR FOODS LIMITED

BACKGROUND

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 and Part D of schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015, all listed entities are required to formulate the Nomination and Remuneration Committee consisting of three or more Non -Executive Directors out of which not less than one-half shall be independent directors.

The Roles of the Nomination and Remuneration committee is as follows:

1. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. Formulate 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 and while formulating this policy ensure that:
 - a) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) 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 our Company and its goals and ensure that the policy is disclosed in the Board's report.
3. Identify 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;
4. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
5. Devising a policy on diversity of the board of directors.

OBJECTIVE

The company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

This policy of "Sarveshwar Foods Limited" shall be known as 'NOMINATION AND REMUNERATION POLICY'.

The objective of policy is to lay down a framework in relation to remuneration of directors, KMP, Senior Management Personnel and other employees and in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto:

- 1.1 To identify the person 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 of directors their appointment and removal;
- 1.2 To formulate the criteria for determining qualifications, positive attributes and Independence of director and recommend to the board a policy relating to Remuneration of directors, key managerial personnel and other employees of Sarveshwar Foods Limited.
- 1.3 To formulate the criteria for evaluation of independent directors and the board.
- 1.4 To report to the board for further evaluation of the board and to determining whether to extend or continue the term appointed of independent directors.
- 1.5 To recommend to the board on remuneration payable to the directors, key managerial Personnel and senior management.
- 1.6 To provide to key managerial personnel and senior management reward linked directly to their efforts, performance, dedication and achievements relating to the company's operations.
- 1.7 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8 To develop a succession plan for the board and regularly review the plan.
- 1.9 To assist the board in full filling responsibilities.
- 1.10 To implement and monitor policies and process regarding principles of corporate governance.
- 1.11 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.

APPLICABILITY

This 'Nomination and Remuneration Policy' of Sarveshwar Foods Limited is applicable on:

- (i) Directors (Executive and Non Executive);
- (ii) Key Managerial Personnel;
- (iii) Senior Management Personnel; and
- (iv) Other employees

CONSTITUTION OF COMMITTEE

The nomination and remuneration committee of the company shall consist of three or more non-executive director out of which not less than one-half are independent directors. The chairperson of the company (whether executive or non executive) may be appointed as a member of the nomination and remuneration committee but shall not chair such committee.

DEFINITIONS

"Act" shall mean Companies Act 2013 and the rules framed there under, including any modifications, clarification, circulars or re-enactment thereof.

"Board of Directors" or "Board" means the Board of Directors of Sarveshwar Foods Limited, as constituted from time to time.

"Company" means SARVESHWAR FOODS LIMITED.

"Directors" means a person as defined in Section 2(34) of the Companies Act, 2013 and presently appointed as a director in the company.

"Key Managerial Personnel" mean Key Managerial Personnel as defined in sub-section (51) of Section 2 of Companies Act, 2013.

"Policy" means Nomination and Remuneration Policy.

"Senior Management' means senior management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

TERM/ TENURE

(i) Managing Director/ Whole-Time Directors:

The company shall appoint or reappoint any person as its chairman, managing director or Whole Time Director for a term not exceeding five years at the time. No re-appointment shall be made earlier than one year before the expiry of term.

(ii) Independent Directors:

An Independent Directors shall hold office for 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.

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 the 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.

EVALUATION

The committee shall carry out evaluation of performance of every director, KMP and senior management personnel at regular interval (annually).

REMOVAL

Due to reasons for any disqualifications mentioned in the act or under any applicable act, rules and regulation thereunder, the committee may recommend to the board with reasons recorded in writing removal of director, KMP or senior management personnel subject to the provisions and compliance of the said act, and regulations.

RETIREMENT

The Directors, KMP and senior management personnel shall retire as per the applicable provision of the act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTOR /KMP/SENIOR MANAGEMENT PERSONNEL

i) Remuneration to managing /whole-time /Executive /Director, KMP and senior management personnel;

The remuneration / compensation/ commission etc to be paid to director/ managing director etc shall be governed as per provision of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

ii) Remuneration to Non- Executive /Independent Director:

The non-executive independent director may receive remuneration/ compensation/ commission as per the provision of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the companies Act, 2013 and rules made there under or any other enactment for the time being in force.

iii) Remuneration to the other employees:

- Apart from the directors, KMPs and senior management personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employees, including professional experience, job complexity and market conditions.
- The various remuneration components, basic salary, allowances perquisites etc. may be continued to ensure an appropriate and balanced remuneration package.
- The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments

NOMINATION DUTIES

The duties of the committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new directors and members of senior management and reviewing its effectiveness.
- Ensuring that on appointment to the board, non-executive directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013.
- Identifying and recommending directors who are to be put forward for the retirement by rotation.
- Determining the appropriate size, diversity and composition of the board.
- Setting a formal and transparent procedure for the selecting new directors for the appointment to the board.
- Developing a succession plan for the board and senior management and regularly reviewing the plan.
- Evaluating the performance of the board members and senior management in the context of the Company's performance from business and compliance perspective.

- Delegating any of its powers to one or more of its members or the secretary of the committee.
- Recommended any necessary changes to the board.
- Considering any other matter as may be requested by the board.

REMUNERATION DUTIES

The duties of the committee in relation to remuneration matters include:

- To consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the board and such other factors as the committee shall deem appropriate all elements of the remuneration of the members of the board.
- To approve the remuneration of the senior management including key managerial personnel of the company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company.
- To delegate any of its powers to one or more of its members or the secretary of the committee.
- To consider any other matters as may be requested by the board.

REVIEW AND AMENDMENT

- i) The Board or the Nomination and the Remuneration Committee of the board may review the policy as and when it deems necessary. The right to interpret/ amend/ modify this policy vest in the Board of Directors of the company.
- ii) This policy may be amended or substituted by the Board as and when required and also by the compliance officer where there is any statutory changes necessitating the change in the policy. However, no such amendment or modification will be binding on the directors and employees unless the same is communicated in the manner described as above.
- iii) The policy as amended from time to time shall be made available on the website of the company.
