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NAMAN INDUSTRIES PROXIMA LIMITED

NOMINATION, REMUNERATION AND EVALUATION POLICY

Pursuant to Regulation 19 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

{As recommended by the Nomination Committee and approved by the Board of Directors of the company in the board meeting held on August 22nd, 2025}

1. PREAMBLE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the "Act"), and **Regulation 19** of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the "SEBI Listing Regulations"), the Board of Directors of every listed company is required to constitute a Nomination and Remuneration Committee.

This Nomination and Remuneration Policy ("Policy") has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, to comply with the aforesaid provisions and to serve as a guiding framework for the nomination, appointment, evaluation, and remuneration of Directors, Key Managerial Personnel (KMP), and other senior management personnel of the Company.

This Nomination, Remuneration and Evaluation Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP"), and the Senior Management Personnel of **Naman Industries Proxima Limited** (the "Company").

2. DEFINITIONS

2.1 **"Act"** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

2.2 **"Board"** means the Board of Directors of the Company.

2.3 **"Company"** means Naman Industries Proxima Limited.

2.4 **"Committee"** means the Nomination and Remuneration Committee as defined under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015. (Listing Regulations).

2.5 **"Directors"** shall mean Directors of the Company.

2.6 **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013.

2.7 **"Key Managerial Personnel (KMP)** means-

a) Chairman & Managing Director, Chief Executive Officer or Manager or Whole Time Director or Executive Director.
b) Company Secretary.
c) Chief Financial Officer.

d) Such other Officer as may be prescribed.

2.8 **"Senior Management Personnel"** means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the respective departments/divisions/branches of the Company.

Unless the context otherwise requires, words and expressions used in this Policy and not defined, shall have the meanings ascribed to them under the Companies Act, 2013 and the Listing Regulations as may be amended from time to time.

3. OBJECTIVE AND PURPOSE OF THE POLICY:

The purpose of this Policy is to lay down the criteria and terms and conditions for:

- Identifying persons who are qualified to be appointed as **Directors** (both Executive and Non-Executive) and who may be appointed in **Senior Management** and **Key Managerial Positions** of the Company.
- Determining **remuneration** based on the Company's size, financial position, business strategy, prevailing industry practices, and the individual's qualifications, experience, and expertise.
- Conducting a formal and transparent process of **performance evaluation** of Directors.
- Ensuring the **retention, motivation, and development of talent** to foster long-term sustainability of leadership and to build a strong competitive advantage.

4. ACCOUNTABILITIES:

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

5. NOMINATION AND REMUNERATION COMMITTEE:

5.1 ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is responsible for:

1. Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommending to the Board a policy relating to, the remuneration of the directors, key managerial personnel, and other employees. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that –
    i. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
    ii. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    iii. Remuneration to directors, key managerial personnel and Senior Management Personnel 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;
2. Formulating criteria for evaluation of performance of independent directors and the Board;
3. Devising a policy on diversity of the Board;
4. Identifying 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;
5. 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;
6. Determining whether to extend or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommending to the Board, all remuneration, in whatever form, payable to Senior Management Personnel ;
8. Administering, monitoring, and formulating detailed terms and conditions of the Company's employee stock option plans in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021, as amended;
9. Undertaking and recommending to the Board re-structuring plan for the Company;
10. Reviewing human resources and people strategy and its alignment with the business strategy, periodically or whenever a change is made to either;
11. Development, rewards and recognition, talent management, and succession planning (specifically for the Board, key managerial personnel and the executive team);
12. Analyzing, monitoring, and reviewing various human resource and compensation matters;

13. Determining compensation levels payable to the Senior Management Personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
14. Determining whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of the independent director.
15. Carrying out any other function as may be required/mandated by the board from time to time and/or mandated as per the provisions of the Companies Act, 2013 SEBI (LODR), 2015, or other applicable regulatory authority.
16. Performing such other functions as may be necessary or appropriate for the performance of duties.

5.2 CONSTITUTION AND QUORUM OF THE COMMITTEE:

The Constitution and Quorum of the Committee shall be as per applicable provisions of the Companies Act, 2013 and Listing Regulations, 2015, as may be amended from time to time.

5.3 CHAIRMAN:

1. The chairman of the Committee shall be an Independent Director.

2. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

4. The chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

5.4 COMMITTEE MEMBERS' INTERESTS:

A member of the Committee is not entitled to be present when his or her remuneration is discussed at a meeting or when his or her performance is being evaluated.

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

5.5 **VOTING:**

Matters arising for determination at Committee meetings 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.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

6. APPOINTMENT OF DIRECTORS / KMPs / SENIOR MANAGEMENT PERSONNEL:

6.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for the role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- Assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, regional and industry experience, background, and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board.
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors, and enhance the efficiency of the Company.
- The skills and experience that the appointee brings to the role of KMP/Senior Management Personnel and how an appointee will enhance the skill sets and experience of the Board as a whole.
- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment.

Personal specifications:

- Degree holder or having adequate Education in relevant disciplines;
- Experience in management in a diverse organization;
- Excellent interpersonal, communication, and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion, and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

6.2 **TENURE:**

i. **Managing Director / Whole-Time Director**

a. The Company shall appoint or re-appoint any person as its Managing Director or Whole-Time Director for a term not less than three (3) years and not exceeding five (5) years at a time. Such person shall be eligible for re-appointment, subject to the age limit of sixty-five (65) years.

b. No re-appointment shall be made earlier than one (1) year before the expiry of the current term.

c. The appointment and tenure of the Managing Director/Whole-Time Director shall be governed by the applicable provisions of the Companies Act, 2013, and such other rules, regulations, or guidelines as may be prescribed by SEBI or other regulatory authorities from time to time.

ii. **Independent Director**

a. An Independent Director shall hold office for a term of up to five (5) consecutive years and shall be eligible for re-appointment upon passing a special resolution by the shareholders and disclosure of such re-appointment in the Board's Report.

b. No Independent Director shall hold office for more than two (2) consecutive terms. However, such a Director shall be eligible for re-appointment after the expiry of three (3) years of ceasing to be an Independent Director. During this three-year cooling-off period, the individual shall not be appointed in or associated with the Company in any other capacity, either directly or indirectly.

c. At the time of appointment, it shall be ensured that the Independent Director does not exceed the prescribed limits on Board positions, as follows:

- Not more than seven (7) listed companies as an Independent Director.
- Not more than three (3) listed companies as an Independent Director if the individual is serving as a Whole-Time Director in any listed company.

6.3 **REMOVAL:**

The Committee may recommend to the Board the removal of a Director, Key Managerial Personnel (KMP), or Senior Management personnel, with reasons recorded in writing, in the event such individual incurs any disqualification under the Companies Act, 2013 or any other applicable laws, rules, or regulations.

Such removal shall be subject to due process and compliance with all applicable provisions of the relevant statutes, rules, and regulations as may be in force at the time.

6.4 **RETIREMENT:**

The Board of Directors, Key Managerial Personnel (KMP), and Senior Management shall retire in accordance with the provisions of the Companies Act, 2013, other applicable laws and regulations, and the prevailing retirement policy of the Company, as may be in force from time to time.

7. LETTERS OF APPOINTMENT:

Each Director/KMP/Senior Management Personnel is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

8. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other Senior Management Personnel.

The Directors, Key Management Personnel and other Senior Management Personnel salary shall be based "& determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs, and Senior Management Personnel of the Company taking into account factors it deems relevant, including but not limited to market, business performance, and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee

consults with the Chairman of the Board as it deems appropriate. The remuneration of the Chairman is recommended by the Committee to the Board of the Company.

a) **Base Compensation (fixed salaries)**
Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) **Variable salary:**
The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

c) **Statutory Requirements:**
Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company with the approval of the Shareholders and Central Government may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

The Company may with the approval of the shareholders authorize the payment of remuneration up to five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager/Executive Director and ten percent in case of more than one such official.

The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company if there is a managing director or whole-time director or manager or Executive Director and three percent of the net profits in any other case.

The net profits for the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit-related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

The remuneration payable to the Key Managerial Personnel and the Senior Management Personnel shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities, and knowledge base.

9. REMUNERATION FOR INDEPENDENT DIRECTORS & NON-EXECUTIVE DIRECTORS:

Independent Directors and Non-Executive Directors may be paid sitting fees for attending meetings of the Board and its Committees. The amount shall be within the limits prescribed under applicable laws and may be revised periodically by the Board. However, such fees shall not exceed ₹1,00,000 per meeting or such other limit as may be notified by the Central Government.

In addition to sitting fees, the Company may reimburse reasonable expenses incurred by Directors in the course of performing their duties. This may include expenses for attending Board and Committee meetings, general meetings, site visits, shareholder or management discussions, training or induction programs conducted by the Company, and professional advice sought in connection with their role.

Independent Directors shall not be entitled to any stock options or other equity-based compensation offered by the Company.

10. EVALUATION/ ASSESSMENT OF DIRECTORS/ KMPS/SENIOR MANAGEMENT PERSONNEL OF THE COMPANY-

The evaluation/assessment of the Directors, KMPs, and the Senior Management Personnel of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior Management Personnel have been:

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, Senior Management Personnel
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

11. POLICY IMPLEMENTATION:

The Committee is responsible for recommending the nomination and the remuneration policy and Compensation Policy to the Board in the matters mentioned above. The Board is responsible for approving and overseeing implementation of the aforesaid policies.

12. AMENDMENT:

Any change in the Policy shall be recommended by the committee and 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 the Board in this respect shall be final and binding.

In case any provision of the Policy are contrary to or inconsistent with the provision of the Companies Act 2013, rules framed thereunder and Listing Regulation ('Statutory provisions"), the provisions of Statutory Provisions shall prevail.

13. DISSEMINATION OF THE POLICY:

The policy shall be hosted on the website of the Company i.e. https://nipl.co/investor .

For Naman Industries Proxima Limited

Director