PAPADMALJI AGRO FOODS LIMITED

NOMINATION AND REMUNERATION POLICY

Version	Summary of Changes	Board Approval	Date of Release
Version 1	Initial	15.10.2025	15.10.2025

1. Preface:

In alignment with the Company's approach to treating its human resources as valuable assets and ensuring fair and just compensation for all Executive Directors, Key Managerial Personnel (KMPs), and Employees, this policy aims to align individual aspirations with the Company's objectives. It is framed in accordance with the Companies Act, 2013 and Regulation 19(4), along with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the event of any conflict between this Policy and the applicable laws, the provisions of the above stated law shall prevail.

2. Purpose:

The purpose of the policy is to:

a) Comply with Section 178 of the Companies Act, 2013 and applicable provisions.

b) Ensure that 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;

c) Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

d) Ensure that the 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.

3. Definitions:

a. Remuneration: means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

b. Key Managerial Personnel: shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed thereunder.

c. Senior Managerial Personnel: mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of 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 Company Secretary and the Chief Financial Officer.

4. Constitution of the Committee:

As per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements,

1. The board of directors shall constitute the nomination and remuneration committee as follows:

a) the committee shall comprise of at least three directors;

b) all directors of the committee shall be non-executive directors; and

c) at least fifty percent of the directors shall be independent directors and in case of a listed entity having outstanding SR equity shares, two thirds of the nomination and remuneration committee shall comprise of Independent Directors.

2. The Chairperson of the nomination and remuneration committee shall be an independent director: Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

2A. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

3. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

4. The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II.

5. Role of the Committee:

The role of the NRC will be the following:

a. 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;

b. carrying out evaluation of every director's performance;

c. formulate the criteria for determining qualifications, positive attributes and independence of a director;

d. recommend to the Board a policy, relating to the remuneration for the directors, key managerial and senior management personnel;

e. ensure that 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;

f. ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

g. ensure that 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:

h. such other matters as may from time to time be required by any statutory, contractual or regulatory requirements to be attended to by such committee.

6. Appointment and Removal of Director, Key Managerial Personnel and Senior Management:

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment.

b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c. The Company shall not appoint or continue the employment of any person as Managing Director or 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.

6.1 Term / Tenure

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 five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

Independent Director: 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. No Independent Director shall hold office for more than two consecutive terms of up to 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.

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.

6.2 Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

6.3 Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

6.4 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions 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.

6.5 Policy for Remuneration to Directors / KMP / Senior Management Personnel

Remuneration to Managing Director / Whole-time Directors/ Executive Directors:

a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors/Executive Directors Etc. 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.

b. 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 /Executive Directors.

Remuneration to Non- Executive / Independent Directors:

a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as may be approved by the Board of Directors and 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.

b. 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.

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.

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:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Remuneration to Key Managerial Personnel and Senior Management

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

c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

7. Authority for Approval of Policy

The Board shall have the authority for approval of this policy in pursuance to the Act.

8. Authority to make alterations to the Policy

The Board is authorized to make such alterations to this Policy as considered appropriate, Subject to the condition that such alterations shall be in consonance with the provisions of the Acts and Regulations.

9. Disclaimer

Nothing contained in this Policy shall operate in derogation of any law for the time being in force or of any other provisions in force.

In any circumstance where the terms of this Policy differ from any applicable law governing the Company, such applicable law will take precedence over this Policy and procedures until such time as this Policy is modified in conformity with the applicable law.