

AMANI TRADING AND EXPORTS LIMITED

NOMINATION AND REMUNERATION POLICY

Introduction:

This policy on nomination and remuneration of Directors and Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC" or "the Committee") and approved by the Board of Directors.

Definitions:

The Words "Board" "Independent Director", "Key Managerial Personnel" shall have the meaning as defined in the Companies Act, 2013 ("the Act").

"Senior Management" means 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.

Role of the Nomination and Remuneration Committee (NRC)

The functions / role and scope of the committee shall include the following:-

- (a) Formulate criteria for determining qualifications, positive attributes and independence of a director, recommend to Board a policy relating to remuneration for the directors, Key Managerial Persons (KMPs) & other employees.
- (b) Identify persons who are qualified to become directors & who may be appointed in Senior Management as per criteria laid down, recommend to the Board their appointment & removal.
- (c) Formulation of criteria for evaluation of Independent Director and the Board.
- (d) Devise a policy on Board diversity.

Applicability:

The Policy is applicable to Directors, Key Managerial Personnel and Senior Management Personnel.

Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and at least two members who are financially literate.

Appointment of Directors, KMP and Senior Management Personnel:

Director:

- (a) Any person who in the opinion of the Board is not disqualified under section 164 of the Act and who possesses ability, integrity, relevant expertise and experience can be appointed as director of the Company.
- (b) Any person who is proposed to be appointed as Independent Director shall meet the criteria of independence and possess qualifications as specified in the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, if applicable to the Company.
- (c) The Company shall take adequate declarations from prospective candidate about his eligibility.

KMP / Senior Management Personnel:

The appointment of Key Management Personnel in the Company is to be done in terms of the provisions of Section 203 of the Companies Act, 2013. Each of the position has been identified with requisite qualifications and experience commensurate with the size of Company's business and complexity of operations. The positions are filled in as per the requirements of the business.

Term/ tenure:

a) Appointment of Managing Director:

The Company shall appoint or reappoint any person as its 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.

b) Appointment of 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, 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. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is in accordance with the limits, if any, specified in the Act and/ or the Listing Agreement.

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 or Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Removal:

Due to reasons of any disqualification mentioned in the Act or under any other applicable law, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said law, Act, rules and regulations.

Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel:

- (a) The Managing Director, KMP and Senior Management Personnel shall be eligible a monthly remuneration as may be approved by the Board on the recommendations of the Committee. The breakup of the pay scale and quantum of perquisites etc. shall be decided and approved by the Board / the Person authorized by the Board on the recommendations of the Committee and also approved by the shareholders and Central Government, wherever required.
- (b) The total fixed salary should be fair and reasonable after taking into account scope of duties, the role and nature of responsibilities, level of skill, knowledge and experience of individual, Company's performance and growth, market trend, etc.
- (c) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole time Director in accordance with the provisions of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- (d) If Managing Director or Whole time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- (e) Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- (f) The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees per meeting of the Board or Committee shall not exceed the amount as may be prescribed by the Central Government from time to time.

Evaluation:

The Committee shall carry out evaluation of performance of every Director yearly or at such intervals as may be considered necessary.

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