

AMANI TRADING AND EXPORTS LIMITED

NOMINATION AND REMUNERATION POLICY

(Revised by Board of Directors on 11th February, 2019 and effective from 1st April, 2019)

1. Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC" or "the Committee"), approved by the Board of Directors and further revised on 11th February, 2019.

2. Definitions:

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

The word "Independent Director" shall have meaning as defined in the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 ["SEBI (LODR) Regulations"] and the Act.

"Senior Management" means officers/personnel of the Company who are members of its core management team excluding the Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and includes the Company Secretary and the Chief Financial Officer.

3. Quorum, Periodicity of the meeting and Role of the Nomination and Remuneration Committee (NRC):

A. Quorum:

The quorum for a meeting of the NRC shall be in due compliance of the provisions, if any, of the Act and/or SEBI (LODR) Regulations.

B. Periodicity of the Meeting:

The NRC shall meet as and when required. However, it shall meet at least once in a year.

C. Role of the 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 the Board a policy relating to remuneration for the directors, Key Managerial Personnel (KMP) & 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 Directors and the Board
- d) Devise a policy on Board diversity
- e) extension or continuation the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- f) Recommend to the Board of Directors, all remuneration, in whatever form, payable to Senior Management.

4. Applicability:

The Policy is applicable to Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management.

5. 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.

6. 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 Regulation 16 of SEBI (LODR) Regulations.
- c) The Company shall take adequate declarations from prospective candidate about his eligibility.

KMP / Senior Management Personnel:

The Company has an 'Organisation Chart' including KMP, Senior Management Personnel and other positions. 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.

7. Term/ Tenure:

a) Appointment of Managing Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment 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 SEBI (LODR) Regulations.

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

9. 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 subject to the provisions and compliance of the said law, Act, rules and regulations.

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

a) The Managing Director, KMP and Senior Management 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 Schedule V of the Act.
- 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 necessary approval as may be required under the Act, he / she shall refund such sums to the Company, within two years or such lesser period as may be allowed by 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 approved by the Company by special resolution within two years from the date the sum becomes refundable.
- 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.

11.Evaluation:

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance in accordance with the provisions of applicable law.
