

**NOMINATION AND REMUNERATION POLICY  
OF REGAAL RESOURCES LIMITED  
DULY APPROVED  
IN THE BOARD MEETING  
DATED 2<sup>ND</sup> SEPTEMBER, 2023**

## **I. PREAMBLE**

This Policy provides a framework for remuneration to be paid to the members of the Board of Directors (hereinafter referred to as "Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (hereinafter referred to as "Executives"). The expression KMP shall have the same meaning as defined under the Companies Act, 2013. "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors and comprising 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 shall specifically include company secretary and chief financial officer.

This Policy also provides a framework for identification of persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board their appointment.

This Policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the Board of Directors of the Company.

The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors from time to time.

## **II. DEFINITIONS**

### **"Act"**

Act shall mean the Companies Act, 2013.

### **"Company"**

Company shall mean **Regaal Resources Limited**.

### **"Committee" or "this Committee"**

Committee or this Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Companies Act, 2013.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and the rules / regulations made thereunder, as the case may be or in any amendment thereto.

## **III. AIMS & OBJECTIVES**

The aims and objectives of this Policy may be summarized as follows:

- To enable the Company to attract, retain and motivate high quality members for the Board and Executives.
- To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate regulations.
- To ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.

- To ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- To identify 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 of directors their appointment and removal.
- To recommend to the Board remuneration payable to the Executives.
- Consider any other matters as may be prescribed under the Act or as may be requested by the Board from time to time.

**IV. CONSTITUTION OF NOMINATION AND REMUERATION COMMITTEE:**

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company's policies and applicable statutory requirements. The Committee shall comprise at least three directors, all of whom shall be non-executive directors at least half shall be independent. Minimum two members shall constitute a quorum for the Committee Meeting.

Chairman of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the committee but shall not chair the committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

The Company Secretary of the Company shall act as the Secretary of the Committee.

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

**V. COMMITTEE MEMBER'S INTEREST**

A member / invitee of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

**VI. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate.

The Chairman of the Committee or in his/her absence any other member of the Committee authorized by him/her on his/her behalf shall attend the Annual General Meeting of the Company.

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

The Nomination & Remuneration Committee shall establish a mechanism to carry out its functions, assign any /all of its powers to Whole-time Director and/or Personnel Administration Division of the Company, as deemed necessary for proper and expeditious execution

## **VII. PRINCIPLES OF REMUNERATION**

- ✓ Support for Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.
- ✓ Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- ✓ Internal equity: The Company shall remunerate the Executives in terms of their roles and responsibilities within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- ✓ External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.
- ✓ Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- ✓ Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.
- ✓ Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

## **VIII. REMUNERATION TO NON-EXECUTIVE DIRECTORS**

Non-Executive directors may be paid remuneration by way of fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as prescribed within the overall limits approved by the shareholders or within statutory limit whichever is higher. Such payments shall be subject to the provisions of Companies Act, 2013.

The non-executive directors shall be entitled to sitting fees for attending the meetings of the Board.

## **IX. REMUNERATION TO EXECUTIVE DIRECTORS**

The remuneration to be paid to the Executive Directors shall be governed by the provisions of the Companies Act, 2013 and the approvals obtained from the Shareholders of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board, as it may consider appropriate with regard to the terms, conditions and remuneration to be paid to the Executive Directors.

## **X. REMUNERATION TO KMP/ SMP**

The remuneration to be paid to KMP and SMP shall be recommended by the Nomination and Remuneration Committee and approved by the Board in accordance with the provisions of the Companies Act, 2013

## **XI. REMUNERATION TO OTHER EMPLOYEES**

The remuneration of other employees shall be determined according to their qualifications, work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration shall be determined on the basis of evaluation done by the respective departmental heads in consultation with the HR head.

## **XII. COMPENSATION STRUCTURE**

Executives unless otherwise decided by the Committee shall receive a competitive remuneration package consisting of the following components:

- **Fixed salary**

Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company.

- **Variable Components**

In order to encourage common goals for the Executives and the shareholders of the Company and to meet the short- as well as long-term goals, the Nomination and Remuneration Committee considers it appropriate that incentive programmes exist for the Executives. Such incentive programmes may comprise any form of variable remuneration. Performance Incentive may be given either by way of a separate payment or as a differential in the salary increment or in such other manner as considered appropriate. Accordingly, such increment need not be separately quantified.

The variable components may be linked to compliance in full or in part with the targets. These may comprise personal targets linked to the performance of the executive in question, delivery of annual business results by the Company and/or the unit in which the executive works for having regard to the prevailing business environment or the occurrence of a specific event. In addition, loyalty, attitude, foresight, potential for growth, motivation, dependability, initiative and such other factors as deemed appropriate may also be taken into consideration. In case of Executives who are responsible for implementing long term strategy of the Company, a part of the variable pay may be set aside towards meeting such objectives.

The variable component may also include performance-based incentives, including Stock Options or Rights, to be granted to the employees, which could vest upon their achievement of certain performance parameters in order to ensure alignment of goals.

- **Personal benefits**

Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.

## **XIII. POLICY STATEMENT ON BOARD DIVERSITY**

The Company recognizes that Board Diversity forms one of the pillars of a robust Corporate Governance framework. The members of the Board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner. The Board of a Company should also provide leadership, strategic guidance, objective and an independent judgement to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to drive business result; enhance the quality and Independence of

performance of the Board; improve the overall decision making ability and process, make corporate governance more effective and enhance the corporate reputation.

The Nomination and Remuneration Committee shall be responsible for reviewing and assessing the composition and performance of the Board. The Committee shall assess the appropriate mix of diversity, skills, experience and expertise required on the Board. The Committee shall review the Board composition in terms of the size of the Board. The Board shall have an optimum composition of Executive, Non-Executive and Independent Directors in accordance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, the Listing Regulations and other Statutory/ Regulatory requirements.

**XIV. CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF SENIOR MANAGEMENT PERSONNEL**

Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended for such role shall meet the description.

For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates

In evaluating the suitability of individual Board members, the Committee shall take- into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements. Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions of the Act for the time being in force.

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

The candidate for the appointment as senior management personnel should possess adequate qualification, characteristics and work experience.

The candidate for senior management should also possess high level of personal and professional ethics, integrity and values.

For any appointment as senior management personnel, the existing employees in the organisation may be preferred. While assessing the candidature of existing employee, his/her past performance in the Company and future potential should be taken into consideration.

**XV. EVALUATION**

The Committee shall carry out evaluation of performance of Board, its Directors, its Committees, yearly or at such intervals as may be considered necessary.

**XVI. MINUTES OF COMMITTEE MEETING**

The Proceedings of all the “Nomination & Remuneration Committee” meetings must be recorded and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

**XVII. AMENDMENTS TO THIS POLICY**

The Nomination and Remuneration Committee is entitled to review this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy.

**XVIII. MISCELLANEOUS**

This policy as framed and or amended by the Committee shall be recommended to the Board of Directors for its approval.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in the Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.