



¹AVANTI FEEDS LIMITED²
NOMINATION AND REMUNERATION POLICY

¹ Amended by the Board at its meeting held on May 24, 2023

² Last amended by the Board at its meeting held on February 12, 2022

1. BACKGROUND

The Nomination & Remuneration Policy (“Policy”) of Avanti Feeds Limited (“AFL” or “Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

2. OBJECTIVE

The primary objective for constitution of this Committee is:

-) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria prescribed by it and make recommendations to the Board for their appointment and removal.
-) To carry out evaluation of every director's performance.
-) To review Board succession plans.
-) To formulate the criteria for determining qualifications, positive attributes and independence of a director and make recommendations to the Board, relating to the remuneration for the directors, key managerial personnel and other senior management.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall consist of at least Three (3) Non-executive Directors of which at least fifty percent of the directors shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director.

The Board has constituted the “Nomination and Remuneration Committee” of the Board on 30th May, 2014. This is in line with the requirements under the Act and Listing Regulations.

The Board has authority to reconstitute this Committee from time to time.

4. DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“Board” means Board of Directors of the Company.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

“Company” means Avanti Feeds Limited

“Directors” mean Directors of the Company.

“Key Managerial Personnel” (KMP) means³

- i. Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager;
- ii. Whole-time director (WTD);
- iii. Chief Financial Officer (CFO);
- iv. Company Secretary (CS); and
- v. such other officer as may be prescribed.

“Senior Management” means shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the 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.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. ROLE OF COMMITTEE

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. devising a policy on diversity of board of directors;
- iv. 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 of directors their appointment and removal;
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

³Sec.2(51) of Companies Act, 2013

⁴ Securities and Exchange Board of India (SEBI) vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023 dated 17.01.2023, substituted the definition of **“senior management”**

6. MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE ⁵

The Committee shall:

- ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ❖ Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- ❖ Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

7. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

A. Appointment criteria and qualifications

- 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 to the Board 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 discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.⁶
- d) A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members

⁵Sec.178(3) of Companies Act 2013

⁶Schedule V, Part I (c) of Companies Act 2013

- e) ⁷For 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
- f) ⁸For the purpose of identifying suitable candidates, the Committee may;
- ❖ use the services of an external agencies, if required
 - ❖ consider candidates from a wide range of backgrounds, having due regard to diversity and
 - ❖ consider the time commitments of the candidates
- g) The Company shall not appoint any resigning independent director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an independent director.

B. Term/Tenure

a) 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.⁹ No re-appointment shall be made earlier than one year before the expiry of term.¹⁰

b) Independent Director:¹¹

- 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.

⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, **w.e.f. 1.1.2022.**

⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, **w.e.f. 1.1.2022.**

⁹Sec.196(2) of CA 2013

¹⁰Proviso to Sec.196(2) of CA 2013.

¹¹Sec.149 of CA 2013

C. Evaluation:

The Committee shall carry out evaluation of performance of every Director, (yearly).

D. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, 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 Act, rules and regulations.

E. 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.

8. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

A. General:

- i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders, wherever required, in the case of Whole-time Director.

B. Remuneration to Whole-Time / Executive / Managing Director, KMP and Senior Management Personnel.

i. Remuneration:

The Whole-time Director/ KMP and Senior Management Personnel shall

be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and approval of the Central Government wherever required.

iii. Provisions for excess remuneration:

If any 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. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

C. Remuneration to Non- Executive / independent Director:

i. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

ii. Sitting Fees:

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 shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.¹²

iii. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limits applicable as per the provisions of

¹²Section 197 of CA 2013 read with Rule 4 of Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

Companies Act.

9. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required under the Act and Listing Regulations.

10. SECRETARY

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

11. POLICY REVIEW

- a. This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b. In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.
