

NOMINATION AND REMUNERATION POLICY

[Pursuant to Section 178 (3) of the Companies Act, 2013]

MEENAKSHI MERCANTILES LIMITED

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, the "Nomination and Remuneration Committee" shall be constituted by:-

1. Every Listed Company
2. Every Unlisted public Company
 - a. Having Turnover of Rs. 100 Crores or More
 - b. With Paid-Up Capital of Rs. 10 Crores
 - c. Having in aggregate, outstanding loans or borrowings or debentures or deposits of Rs. 50 Crores

In order to align with the provisions of the Companies Act, 2013 and applicable rules thereto, the Nomination and Remuneration Committee formulated and proposed the nomination and remuneration policy. The Board of Directors of the Company for the purpose of adhering and aligning with the Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 dated November 28, 2025 has also adopted the concerned policy. The Board of Directors of the Company has adopted the said Nomination and Remuneration Policy on the recommendation by the Committee.

DEFINITIONS

1. "Board" means Board of Directors of the Company.
2. "Company" means **MEENAKSHI MERCANTILES LIMITED**.
3. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
4. "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.
5. "Committee" means Nomination and Remuneration Committee.
6. "Director" means Directors on the Board of Directors of the Company.
7. "Policy" means Nomination and Remuneration Policy as amended from time to time.
8. "Key Managerial Personnel" means:
 - i. Managing Director or Chief Executive Officer or Manager
 - ii. Whole-time Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. Such other officer as may be prescribed.
9. "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, of rank equivalent to General Manager and above, including all functional heads.



10. "Executive Director" means a Director who is in the whole time employment of the Company and includes Managing Director and Whole time Director.
11. "Non-Executive Director" means a Director who is not in the whole time employment of the Company and includes an Independent Director.

Interpretation: The terms that have not been defined in this policy shall have the same meaning as assigned to them in the Companies Act, 2013, and rules framed thereto as amended from time to time.

COMPOSITION OF THE COMMITTEE AND ITS GOVERNANCE

The Nomination and Remuneration Committee comprise of a Minimum 3 (three) Non-Executive Directors and 50% of which Directors shall be Independent Directors. The Chairperson of the Committee shall be Independent Director.

At present, the composition of the committee is as follows:-

Mr. Avra Mazumdar- Chairman (Non-Executive, Independent Director)
Mrs. Pooja Goenka - Member (Non-Executive Director)
Mrs. Seema Chandak - Member (Non-Executive, Independent Director)

The Board has the power to reconstitute the Committee to keep it consistent and in alignment with the Company's policy and applicable statutory requirement.

Constitution / Re-constitution of the Committee shall be disclosed in the Annual Report.

FREQUENCY OF MEETING:

The meeting of the Committee shall be held as and when its need arises.

QUORUM:

Minimum two (2) Directors will constitute a quorum for the Committee Meeting.

MINUTES OF THE COMMITTEE MEETING:

Proceedings of all meetings must be recorded as minutes of meeting and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board as well as Committee Meeting.



OBJECTIVES OF THE POLICY & DUTIES OF THE COMMITTEE

The Objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management personnel. The duties of the committee would be:

1. To recommend to the Board the appointment/reappointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
3. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
4. To determine that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
5. To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
6. Ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
9. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
10. To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and Senior Management personnel.
11. To recommend to the Board the appointment, removal and the remuneration payable to a relative of a Director.
12. To assist the Board in fulfilling its responsibilities.

To perform such other functions as may be necessary or appropriate for the performance of its duties.



POLICY

This Policy is divided into two parts:

Part A: Part A deals with the appointment and removal of the Key Managerial Personnel.

Part B: Part B deals with the remuneration of the Key Managerial Personnel! This Policy shall be included in the Board's Report.

PART A: APPOINTMENT AND REMOVAL OF THE KEY MANAGERIAL PERSONNEL

1. Selection of Directors, Key Managerial Personnel and Senior Management

The selection of Directors can be made in any of the following ways:

- on recommendation of the Chairman or any other Director
- by way of recruitment from outside
- by way of selection from the data bank of Independent Directors maintained by the Government
- from within the Company hierarchy.

The selection of Key Managerial Personnel and Senior Management can be made in any of the following ways:

- by way of recruitment from outside
- from within the Company hierarchy
- or any other ways governed by the prevailing HR Policy.

2. Appointment Criteria and Qualifications:

- The person should possess adequate qualification, expertise, skills and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- Before appointment, the Company shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management Personnel.

3. Term/ Tenure

a. Managing Director/Whole-time Director/Executive Director/Manager:

- The Company shall appoint or re-appoint any person as its Managing Director, Executive Chairman or Executive Director or Whole Time Director for a term not exceeding five (5) years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.
- The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Chairman/ Whole-time Director/Manager 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 the 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.

b. Independent Director:

- An Independent Director shall hold office for a term up to five (5) 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 (2) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three (3) years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three (3) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

c. Key Managerial Personnel and Senior Management:

- The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR. policy of the Company or as per the applicable provisions of the Companies Act 2013.

4. Evaluation

- The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

5. Retirement

- The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act 2013 or as per the prevailing HR policy of the Company. They can be retained in the same position or with the same remuneration even after attaining the retirement age, for the benefit of the Company.

6. Removal

- Due to reasons for any disqualification/misconduct/fraud mentioned in the Act or under any other applicable Act and any rules there under, the Nomination and Remuneration Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, and any rules, if any, made there under.



PART 8: REMUNERATION OF THE KEY MANAGERIAL PERSONNEL

1. General

- a. The remuneration / compensation / commission etc. to Directors, 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 approval of the shareholders of the Company and/or Central Government, wherever required.
- b. The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force and as amended from time to time.
- c. Increase 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 in the case of Directors. Such increase in remuneration will be effective from the date of re-appointment in respect of Managerial Personnel.
- d. Where any insurance is taken by the Company on behalf of its Directors, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2. Remuneration to Directors, KMP and Senior Management

a. Fixed pay:

Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. As regards to the senior management the remuneration shall be as per the HR policy of the Company and such remuneration payable shall be fixed by the Chairman in consultation with Committee and HR Department of the Company.

b. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

The overall remuneration paid to the Directors (excluding sitting fees) shall not exceed 11% of the net profit of the Company.



c. Provisions for excess remuneration:

If any Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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.

d. Remuneration to Non-Executive/ Independent Director:

- i. Remuneration/ Commission: The Non-Executive/ Independent Directors shall not be eligible to receive any remuneration except by the way of sitting fees paid for attending the Meetings.
- 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 the maximum amount payable for attending the meeting of the Board or Committee, as provided in the Companies Act, 2013.
- iii. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

3. Compensation Structure

3.1. Compensation Structure broadly consists of following elements: i) ii) Fixed-Pay (TFP): all fixed elements of compensation, including perquisites and contributions towards superannuation/ retiral benefits, as reflected in the Form-16 of the company.

3.2. Compensation for KMPs and SMs in Control and Assurance Functions KMPs and SMs engaged in Financial Control, Risk Management, Compliance, and Internal Audit will be compensated in a manner that is independent of the business areas they oversee and commensurate with their role in the Company.

3.3. Guaranteed Bonus Guaranteed bonus may not be paid KMPs and SMs. The same would be subject to the recommendation of NRC taken into account other factors, as may be deemed fit. In the context of new hiring joining/ sign-on bonus could be considered. Such bonus will neither be considered part of fixed-pay nor of variable-pay.

3.4. Malus and Clawback Malus arrangement permits the Company to prevent vesting of all or part of the variable pay which has been deferred. It does not reverse vesting after it has already occurred. Clawback is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested compensation attributable to a given reference year in which the incident has occurred. The return Page 5 of 6 Private & Confidential would be in terms of net amount. Malus and Clawback provisions shall apply regardless of whether the employee is in the employment of the Company or has separated.



3.4.1. Framework to invoke Malus/ Clawback Relevant factors to be considered: a) The NRC may duly take into consideration factors that were within the control of the person, and/ or beyond reasonable control, on account of conditions such as macro events, market conditions, industry performance, changes in legal/regulatory requirements, force majeure events like occurrence of natural disasters, pandemic, other socioeconomic conditions etc. b) Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply Malus and/or Clawback provisions. c) Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information. d) Wilful misinterpretation/misreporting of financial performance of the Company. e) Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or of criminal nature. f) Non-disclosure of material conflict of interest by the employee or any misuse of official powers. g) An act of wilful, reckless, grossly negligent conduct which is detrimental to the interest or reputation of the Company.

REVIEW AND AMENDMENTS

- The Committee or the Board may review the policy as and when it deems necessary.
- The Board of Directors or the Committee shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy.

