



**Priti International Limited**

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# **PRITI INTERNATIONAL LIMITED**

## **NOMINATION AND REMUNERATION POLICY**

### **PRITI INTERNATIONAL LIMITED**

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The Board of Directors of **Priti International Limited** constituted the Nomination and Remuneration Committee at their meeting held on December 13, 2017 and re-constituted the same on **August 13, 2022**.

This Policy has been approved by the Committee, in their meeting held on **March 25, 2023**, in supersession of all the previous policies of the Company in this regard.

This Policy shall be effective from the date of its approval by the Committee, that is, from March 25, 2023.

## **1. Objectives**

The NRC (as defined hereinafter) and Nomination and Remuneration Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules, each as amended and Regulation 19 read with Schedule II, Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Key objectives of this Policy are:

- Appointment and Removal and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel;
- Board Diversity;
- Succession plan for Directors, Key Managerial Personnel and Senior Management Personnel; and
- Evaluation Performance of Board of Directors including that of Individual Directors, Chairperson of the Board, Independent Directors and the Committees of the Board.

## **2. Definitions:**

In this Policy, unless the context otherwise requires-

“Act” means Companies Act, 2013 and includes the Rules framed thereunder as amended from time to time; Secretarial Standards issued by the Institute of Company Secretaries of India; and any notifications, circulars as may be notified by the Ministry of Corporate Affairs;

“Articles of Association” or “Articles” means the Articles of Association of the Company, as amended;

“Board” means Board of Directors of the Company;

“Committee” means Committees of Board as required to be constituted by the Board under the applicable provisions of law for the time being in force or any other committees constituted by the Board;

“Company” means PRITI INTERNATIONAL LIMITED;

“Directors” shall mean Directors of the Company as may be appointed by the Board and Shareholders of the Company, from time to time;

“Independent Director” means a Director referred to in Section 149(6) of the Act and 16(1)(b) of SEBI Regulations and as may be appointed by the Board and Shareholders of the Company from time to time in accordance with the applicable provisions of law;

“Key Managerial Personnel” (KMP) means Key Managerial Personnel as defined in 2(51) of the Act, as may be appointed or designated by the Board on the recommendation of the NRC;

“NRC” means the Nomination and Remuneration Committee of the Board as constituted or re-constituted by the Board from time to time;

“Policy” means this Nomination and Remuneration Policy of the Company, as amended from time to time;

“SEBI Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

“Senior Management Personnel” (SMP) means 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 Managing Director or Whole Time Director (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, the words and expressions used in this Policy, and not defined herein, but defined in the Act or the SEBI Regulations, shall have the meaning as assigned to them in the Act or SEBI Regulations.

### **3. Applicability:**

This Policy is applicable to all the Directors including Independent Directors, KMP, SMP and such other employees on significant positions as may be determined by the NRC.

### **4. Role of the Nomination and Remuneration Committee :**

The role and scope of the NRC shall be as follows:

- To formulate criteria for determining qualifications, positive attributes and independence of a person for appointment as director for recommendation to the Board;
- To evaluate the balance of skills, knowledge and experience on the Board, for the appointment of an independent director and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates:

- a. To use the services of an external agencies, if required;

b. To consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. To consider the time commitments of the candidates.

- To identify persons who are qualified to become director and persons who may be appointed as key managerial personnel and senior management personnel in accordance with the criteria laid down in this Policy and recommend to the Board for their appointment and removal.
- To formulate a criteria for evaluation of performance of Independent Directors and the Board of Directors;
- To specify the manner for effective evaluation of performance of Board, its Committees, Individual Directors, Chairperson of the Board, Independent Directors, to be carried out either by the Board, by NRC or by an independent external agency, and review implementation and compliance with such evaluation requirements;
- To devise a Policy on diversity of Board of Directors;
- On the basis of Performance Evaluation, to consider whether to extend or continue the term of appointment of the Independent Director;
- To identify and ascertain the integrity, qualification, expertise and experience of a person for appointment as Director, Key Managerial Personnel or Senior Management Personnel;
- To recommend to the Board, on aspects of Remuneration of the Directors, including Non-Executive Directors and Independent Directors, Key Managerial Personnel or Senior Management Personnel;
- To maintain execution of Employee Stock Plans of the Company, if any and determination of Employees and Directors of the Company, who may be eligible for the same.
- To develop a succession plan for the Board;
- To ensure that the Company do not appoint or continue the employment of any person as –
  - A Managing Director, Whole-Time Director or Manager who has not attained the age of 21 years or attained the age of Seventy (70) years, provided however, 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;
  - A Non-Executive Director who has attained the age of seventy-five (75) years unless a special resolution is passed to that effect.
- To consider the term/ tenure and conditions for appointment of appointment of Managing Director/ Whole-Time Director, which shall be subject to the provisions of the Act.

## **5. Appointment/ Nomination of Directors, Key Managerial Personnel & Senior Management**

### **• Appointment criteria and Qualification of Directors**

The Director shall possess appropriate skills, experience and knowledge in one or more fields of chemicals, corporate strategy, technology, research, marketing, risk management, corporate governance, technical operations or other disciplines related to the Company's business. The Director shall fulfil the requirements of Company's Policy on fit and proper criteria for directors and shall be appointed and hold position in accordance with the provisions of the Act, SEBI Regulations and Articles of Association of the Company.

While considering the appointment/ re-appointment of any person as Director of the Company, the NRC shall ensure that:

- a) He/ she is eligible to be appointed as Director of the Company and is not disqualified in terms of Section 164 of the Act, Section 197 and Schedule V of the Act, wherever applicable, and other applicable provisions of the Act and SEBI Regulations.
- b) His/her total number of directorships in Board of other Companies/ Body Corporate is within the limits prescribed under the Act and SEBI Regulations.
- c) He/she is able to devote sufficient amount of time and efforts in discharging his/her duties as Director of the Company.

### **• Tenure of Independent Directors:**

An Independent Director shall hold office for a term up to five (5) consecutive years on the Board and will be eligible for re-appointment subject to the provisions of the Act and SEBI Regulations.

No Independent Director shall however 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.

At the time of appointment of Independent Director, it should be ensured that number of Board of Directors on which such Independent Director serves, is restricted to the limits prescribed under the Act and SEBI Regulations.

Further, while considering the appointment of Independent Director, the NRC shall consider that, the proposed appointee fulfils the criteria of "Independence" as provided under the Act and SEBI Regulations.

For the purpose of identification of suitable candidates, the NRC may use the services of external agencies, if required.

- **Independence of Directors:**

The Independent Director shall at the first meeting of the Board in which she/he participates as a Director and thereafter at the first meeting of the Board in every financial year and whenever there is any change in the circumstances which may affect her/his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1) (b) of the SEBI Regulations.

- **Appointment criteria and qualification of Key Managerial Personnel and persons in Senior Management**

A person should possess adequate qualification, expertise, experience, competency, skills, abilities, educational & professional background for the position he/she is being considered for appointment, as per Company's requirements and applicable laws.

## **6. Evaluation:**

The NRC shall specify the manner to carry out effective evaluation of performance of following:

- a. The Board of Directors of the Company
- b. The Committees of the Board
- c. Each Individual Directors, including Independent Directors
- d. The Chairperson of the Board of Directors

The Evaluation of Performance of Chairperson of the Company shall be carried out by Independent Directors, in their separate meeting, taking into account the views of Executive Directors and Non-Executive Directors.

The evaluation of Independent Directors shall be carried out by entire Board of Directors of the Company, other than the director, excluding the director being evaluated.

## **7. Removal:**

Due to reasons of any disqualifications mentioned in the Act or under any other applicable laws, rules and regulations thereunder, or for disciplinary reasons, the NRC may recommend, to the Board, with reasons recorded, removal of a Director, Key Managerial Personnel and Senior Management Personnel, subject to the provisions of the Act and SEBI Regulations and Articles of the Company.

The resultant vacancy caused by removal of Directors may be filled by the NRC in accordance with this Policy and the applicable laws.

## 8. Retirement:

The Director, Independent Director, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act, SEBI Regulations and the prevailing Policy of the Company.

The resultant vacancy caused by retirement of Directors may be filled by the NRC in accordance with this Policy and the applicable laws.

The Board will have the discretion to retain the Director, Independent Director, Key Managerial Personnel and Senior Management in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

And the said appointment will be in compliance with the provisions of the Act and the SEBI Regulations or any such applicable law.

## 9. Remuneration Policy

- The Remuneration/Compensation etc. to the Executive Directors, Key Managerial Personnel and Senior Management shall be determined by the NRC and recommended to the Board for its approval, and the NRC shall observe the provisions of the Act regarding slabs/percentage of remuneration, prior approvals of shareholders, Central Government wherever required, and the conditions laid down in the Act and other conditions as may be required under the SEBI Regulations;
- Any increments in remuneration to be recommended to the Board by the NRC for Director shall be in accordance with the percentage/slabs laid under the provisions of the Act and SEBI Regulations;
- The NRC may further recommend any increments in remuneration to the Board for Key Managerial Personnel and Senior Management;
- Where any insurance is taken by the Company on behalf of its whole-time directors, managing director chief executive officer, chief financial officer, company secretary or any other employee 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;
- If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its whole-time directors, managing directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the prior approval of Central Government;
- If any 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 prior sanction of the Central Government where required, he/she shall refund such sums to the Company and until such sum is refunded holds it in trust for the Company;
- **Remuneration to KMP and SMP:** The remuneration payable to KMPs and SMPs may be in form of Fixed Pay, Variable Pay, Non-Monetary Benefits and stock options, wherever the Company has any Employee Stock Option Plan. The Remuneration payable to KMPs and SMPs should be in conformity with provisions of the Act and SEBI Regulations.

- **Sitting Fee:** The Independent/Non-Executive Director may receive fee for attending meetings of Board or Committees. The maximum amount of sitting fees payable shall be within the limits provided under the Act and the SEBI Regulations. The amount of sitting fees shall be such, as may be recommended by the NRC and approved by the Board.
- **Commission:** The Independent Directors and Non-Executive Directors may be paid remuneration in the form of Profit linked commission, as may be recommended by the NRC and approved by the Board and Shareholders, wherever required.

## 10. Membership

The membership of NRC shall be as follows:

- the Committee shall comprise of at least three Directors;
- all Directors of the Committee shall be non-executive Directors; and
- at least two-thirds (2/3rd) of the Directors shall be Independent Directors.

The chairperson of the NRC shall be an Independent Director, provided that the Chairperson of the Board, whether executive or non-executive, may be appointed as a member of the NRC and shall not chair such Committee.

The Board shall have power to amend the membership, terms of reference and powers of NRC.

The NRC may invite such executives/employees and officers of the Company to be present at the meetings of the NRC, as it considers appropriate.

## 11. Frequency of the Meetings and Quorum:

The NRC shall meet at least once in a year. The quorum for a meeting of NRC shall be either two (2) members or one third (1/3rd) of the members of the Committee, whichever is greater, including at least one (1) Independent Director in attendance.

Further, the chairperson of the NRC may be present at the Annual General Meeting, to answer the shareholders' queries; however, it shall be up to the chairperson of the general meeting to decide who shall answer the queries.

## 12. Interests of Members at the Meeting

A member is not entitled to participate in the discussions or be present at the meeting as may be required by the members, when his/her own remuneration is discussed or when his/her performance is being evaluated.

Matters arising for determination of the NRC meetings shall be decided by simple majority of votes of members present and voting and any such decision shall for all purposes deemed a decision of the NRC. In case of equality of the votes, the chairperson of the meeting will have the casting vote.



### **13. Minutes**

Minutes of all meetings shall be signed by the chairperson of the NRC or chairperson of the meeting, in terms of the provisions of the Act.

### **14. Amendments to the Policy**

Any amendment in the Policy shall be approved by the NRC. The NRC shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the NRC in this respect shall be final and binding. Any subsequent amendment / modification in the Act and the SEBI Regulations and / or any other laws in this regard shall automatically apply to this Policy.

### **15. Communication:**

This Policy shall be uploaded on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of this policy, if any, shall be disclosed in the Board's report of the Company.

Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at [cs.pritiinternationaltd@gmail.com](mailto:cs.pritiinternationaltd@gmail.com)

### **16. Compliance:**

The NRC shall be responsible for supervision of the Policy.

### **17. Interpretation:**

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.