

Godfrey Phillips India Limited
Nomination and Remuneration Policy

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I. Introduction

Section 178 of the Companies Act, 2013 (hereinafter referred to as “Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “LODR Regulations”), mandate that the Board of Directors (hereinafter referred to as “Board”) of every listed Company shall constitute a Nomination and Remuneration Committee (hereinafter referred to as “Committee”).

Pursuant to the directions in the above-mentioned Act and Listing Regulations, Godfrey Phillips India Limited (hereinafter referred to as “GPIL” or “the Company”) has formulated the Nomination and Remuneration Policy (hereinafter referred to as “Policy”). The Committee has been formed by the Board to ensure compliance with this Policy. Section 178 of the Act, inter-alia mandates the Committee to determine the criteria for qualifications, positive attributes and independence of a Director and recommend to the Board a Policy relating to remuneration for Directors, Key Managerial Personnel (hereinafter referred to as “KMP”) and Senior Management Personnel of the Company. Committee shall be responsible for identifying the appropriate mix of executive, non-executive and independent directors for the Board in compliance with the provisions of the Act and/or Listing Regulation.

The appointment and remuneration of Directors is governed by the recommendation of Committee and then decided by the Board subject to approval of the shareholders.

II. Scope and Applicability

The Policy is applicable to the Directors, KMP and other Senior Management Personnel of GPIL.

III. Interpretation

Terms that have not been defined here will have the same meaning as is defined in the Act, LODR Regulations or any other amendment brought by SEBI from time to time.

IV. Policy Objectives

- a) To make recommendation to the Board with respect to the appointment and removal of Directors, Key Management Personnel and Senior Management Personnel.
- b) To ensure that the amount and level of remuneration paid is sufficient and reasonable to attract, retain and motivate Directors, KMP and Senior Management Personnel to carry out quality work as is required for the progress of the Company and stakeholders.
- c) To conduct the performance evaluation of all the Directors and ensure the relationship of remuneration to performance is clear and meets the performance benchmark.
- d) To make recommendation to the Board on remuneration payable to the Directors, KMP and Senior Management Personnel and to ensure that such remuneration involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- e) To determine the criteria and approach for Board Diversity.

V. Constitution of the Nomination and Remuneration Committee

The “Committee” has been constituted by the Board in line with the requirements under the Act and LODR Regulations. The Board has the authority to reconstitute this Committee from time to time.

The Committee shall act in accordance with the principles as laid down in this Policy.

VI. Definitions

The definitions of some of the key terms are mentioned below:

“**Act**” means the Companies Act 2013 along with its latest amendment

“**Employees’ Stock Option**” means the option offered to the directors, officers or employees of the Company or of its holding Company or subsidiary Company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

“**Board**” means Board of Directors of the Company

“**Company**” means Godfrey Phillips India Limited

“**Independent Director**” means a director referred to in Section 149 (6) of the Act and in Regulation 16 of LODR Regulations

“**Key Managerial Personnel**” (KMP) means persons referred to in Section 2(51) of the Act and include:

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer;
- (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed

“**Nomination and Remuneration Committee**” shall mean a Committee of the Board; constituted in accordance with the provisions of Section 178 of the Act and the LODR Regulations

“**Policy or This Policy**” means, Nomination and Remuneration Policy

“**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

“**Senior Management Personnel**” means personnel of the Company who are members of its core management team excluding Board of Directors and covers all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/ (including Chief Executive Officer/Manager, in case they are not part of the Board) (except administrative support staff/executive assistants), all the functional heads of the Listed Entity (by whatever name called) and shall specifically include the Company Secretary and Chief Financial Officer.

VII. Appointment and Removal

A. Appointment Criteria and qualification

- i. The Board shall have an optimum number of directors as is essential to effectively discharge the Board's function. As per the Act, a listed Company shall have a minimum of 3 and a maximum of 15 directors in the Board.
- ii. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her / their appointment. While evaluating a person for appointment / re-appointment, the Committee shall consider various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing, technology, finance or such other discipline relevant to present and prospective operations of the Company.
- iii. The person considered to be appointed to the position shall possess the minimum eligibility criteria and have adequate experience, qualification and/or expertise required to be appointed for the position. The Committee shall have the discretion to determine whether the person meets the required criteria for appointment and further recommend the name to the Board for approval.
- iv. Any appointment or continuation of the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years will be subject to the approval of the shareholders by passing a special resolution or such other provisions of the Act and rules made thereunder read with LODR Regulations as amended from time to time.
- v. The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- vi. The appointee shall not engage in any business or commercial activity while continuing in the office, which might detrimentally conflict with the Company's interest.
- vii. For the appointment of an Independent Director, the Committee shall evaluate the balance of skills, independence, 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.
- viii. For the purpose of identifying suitable candidates for appointment of an independent director, 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
- ix. The Committee shall ensure that the recommendations regarding the appointment have been made in line with the Board Diversity Policy of the Company.

B. Term/Tenure

The term or tenure of the Directors shall be governed as per the provisions of the Act and LODR Regulations, as may be amended from time to time.

- a. **Managing Director/Executive Director/Whole-time Director/Manager:** The Company shall appoint or reappoint any person in its managerial position for a period not more than 5 years (five) at a time. No reappointment shall be made earlier than one year prior to the expiry of the term.
- b. **Independent Director:** An Independent Director shall be appointed for a term up to 5 (five) consecutive years and in case of reappointment, for another term upto 5 (five) years shall be made by passing of a special resolution by the Shareholders of the Company and disclosure shall be made in the Board's Report.

No Independent Director shall be eligible for appointment after two consecutive terms as per the provisions of the Act. However, such an Independent Director may become eligible for appointment after expiry of 3 (three) years from the date of his/her ceasing to be a Director provided however that in this period of 3 (three) years, the person should not have had any direct or indirect connection/relation whatsoever with the Company.

At the time of appointment of Independent Director, it shall be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director, and three listed companies as an Independent Director, in case such person is serving as a Whole-time Director of a listed Company.

C. Evaluation

The Committee shall evaluate the performance of the Directors and make the recommendation to the Board basis the appropriate performance criteria.

Further, it may take the support of an external agency as well while doing so.

D. Removal

Owing to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, for removal of a Director, KMP and Senior Management Personnel subject to the provisions and compliances of the Act and rules made thereunder and Service rules/HR Policy of the Company as prevalent at that time, as applicable.

E. Retirement

Pursuant to the provisions of the Act and rules made thereunder or any other applicable laws, rules and regulations made from time to time and Company's Policy, Managing Director / Executive Director / Whole-time Director, KMP and Senior Management Personnel shall retire after attaining the retirement age or their tenure as may be applicable. However, the Company has the discretion to retain the retiring person in the same position, remuneration or otherwise for the benefit of the Company subject to such approval as may be required in this regard.

VIII. Provisions Relating to Remuneration

A. General

- a) The remuneration payable to the Directors shall be decided keeping into consideration the long-term goals of the Company apart from the individual performance expected from them in pursuit of the overall objectives of the Company.

- b) The remuneration of Executive Director(s) including Managing Director(s) and Whole-time Director(s) is governed by the recommendation of Committee as per the criteria recommended by it and then approved by the Board subject to approval of the Shareholders and such other approvals as may be required under the Act and LODR Regulations.
- c) The remuneration and commission to be paid to the Directors of the Company shall be in accordance with the provision of the Act and rules made thereunder.
- d) Recommendation with respect to increment to the existing remuneration may be made by the Committee which shall be within the slabs, if any, approved by Shareholders.
- e) Increments to the existing remuneration / compensation structure of the Directors may be recommended by the Committee to the Board, which shall be within the slabs, if any, approved by the Shareholders.
- f) Where any insurance is taken by the Company on behalf of its Managing Director, Executive / Whole-time Directors, KMP and Senior Management Personnel 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
- g) All the Directors shall be entitled to reimbursement of reasonable expenditure incurred by them for attending Board/Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, and induction and training programmes in the furtherance of their duties as a Director.

B. Remuneration to Non-Executive and Independent Directors

A Non-executive Director including an Independent Director, may be paid remuneration by way of commission either by way of monthly payments or specified percentage of net profits of the Company or partly by one way and partly by the other, as may be recommended by Nomination and Remuneration Committee and then decided by the Board subject to approval of the Shareholders.

In accordance with the provisions of the Articles of Association of the Company and the Act, a sitting fee (presently fixed at Rs. 1, 00,000/- per meeting, or such increased amount as may be permitted from time to time) is paid to the Non-executive Directors of the Company who are not drawing any remuneration described hereinabove, for attending any meeting of the Board or of any Committee thereof. The remuneration payable to Directors shall be governed by the ceiling limits specified under section 197 of the Act.

C. Executive Directors

The remuneration of Executive Directors, including MD & CEO, shall be recommended by the Committee to the Board. The remuneration may consist of both fixed compensation (which may be subject to annual increments) & variable compensation and shall be paid as salary, commission, performance bonus, perquisites and fringe benefits, as may be approved by the Board and within the overall limits as may be approved by the Shareholders. While the fixed compensation (which may be subject to annual increments) is determined at the time of appointment, the variable compensation will be determined annually by the Committee based on the performance.

The Company may also grant Employee Stock Options to the Executive Directors subject to compliance with the Act.

The remuneration package of Executive Directors may include the following components:

- a) Basic Pay
- b) Allowances
- c) Commission
- d) Any other perks and benefits

D. Key Management Personnel/Senior Management Personnel

The remuneration Policy for other senior management employees, including key management personnel, aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and consistency in rewarding the employees. The remuneration to management grade employees involves a blend of fixed and variable components with performance forming the core. The components of total remuneration vary for different employee grades and are governed by industry practices, qualifications and experience of the employee, responsibilities handled by him, his, her, their potentials, etc. Such remuneration shall be recommended by the Committee to the Board.

IX. Communication of the Policy

The Policy will be available on the corporate website www.godfreyphillips.co.in

X. Review

The Nomination & Remuneration Committee shall monitor and periodically review the Policy and recommend the necessary changes to the Board for its approval.

The Head- HR and the Company Secretary are jointly authorised to amend the Policy to give effect to any changes/amendments notified by the Ministry of Corporate Affairs or the Securities and Exchange Board of India. The amended Policy shall be placed before the Committee and the Board for noting and ratification.

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

XI. Version Control

Version	Change Description	Date
1.0	<ul style="list-style-type: none">Made policies more comprehensive by adding detailed clauses on appointment, tenure, removal of the policyAdded clause on review of the policy etc.	27/05/2023
1.1	<ul style="list-style-type: none">Addition of new website URL	11/11/2024