

LAMOSAIC INDIA LIMITED

POLICY RELATING TO REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

(Adopted at the Board Meeting held on 02nd November, 2023)

1. OBJECTIVE

The Policy on appointment and remuneration for the Directors and Key Managerial Personnel ("the Policy") provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company.

The Remuneration Policy for the Members of the Board, Key Managerial Personals and Other Employees has been formulated pursuant to the provisions of Section 178(4) of the Companies Act, 2013 ("the Act") and Regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), which strive to ensure:

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the Company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) remuneration to the Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

2. REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company comprises of the Executive and Non-Executive Directors, for which separate provisions have been framed:

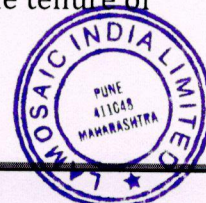
- a) The Executive Directors comprising of the Promoter Directors and / or Professional Directors;
- b) The Non-Executive Directors comprises of the Promoter (Non-Independent) Director and / or Independent Directors

Remuneration of an Executive Directors

Fixed remuneration:

All Executive Directors viz. Executive Chairman, Managing Director and Whole-time Director will have a component of Fixed Salary, which may be fixed for the whole tenure or

Paritosh Paritosh



in a graded pay scale basis. In addition, they will be entitled to usual perks which are normally offered to top level executives, such as furnished / unfurnished house / house rent allowance, medical / hospitalization reimbursement, personal accident insurance, club fees, car with driver and retrial benefits including leave encashment as per the Policy of the Company at the end of the tenure.

Variable Components:

Commission:

Subject to the approval of the Shareholders of the Company and within the overall limits prescribed in Section 197 of the Companies Act, 2013, the Executive Directors shall be paid incentive / commission based on nature of duties and responsibilities, as may be determined by the Board of Directors on year to year basis.

Bonus:

Subject to the approval of the Shareholders, in the event of some specific assignment / achievement, the Executive Director can be paid special bonus(es), as may be decided by Nomination and Remuneration Committee / Board of Directors.

Reimbursement of Expenses:

The Directors will be entitled for actual entertainment and travelling expenses incurred for business purposes. The above payments shall be subject to such approvals as may be necessary under the Companies Act, 2013 and the Listing Agreement.

Remuneration to the Non-Executive / Independent Director:

Remuneration / Commission:

The remuneration / commission shall be fixed as per the limits mentioned in the Act, subject to approval from the Shareholders, as applicable. In the event that a single Non-Executive Director is to be paid an annual remuneration which exceeds fifty per cent of the total annual remuneration to all Non-Executive Directors, then approval of the Shareholders shall be obtained by a Special Resolution for every year.

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Sitting Fees:

The Non-Executive / Independent Director shall receive remuneration by way of fees for attending Meetings of the Board or Committee thereof. *Provided that* the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time or permissible under the prevailing laws.

Stock Options:

An Independent Directors shall not be entitled to any stock option.

Reimbursement of Expenses:

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his / her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending the Board Meetings, Committee Meetings, General Meetings, Court Convened Meetings, Meetings with the Shareholders / Creditors / Management, site visits, induction and training (organized by the Company for the Directors) and in obtaining professional advice from Independent Advisors in the furtherance of his / her duties as a Director.

Overall limit of managerial remuneration:

Overall limit of managerial remuneration payable by the Company in respect of any financial year could be more than 11% (eleven percent) of Net profit, up to such an amount, both in respect of Executive and Non-Executive Director, as the Board may deem fit, subject to compliance of conditions of Schedule V of the Companies Act, 2013 or any other limit as may be approved by the Members of the Company.

Key Managerial Personnel:

Key Managerial Personnel shall be paid salary and perquisites, like other employees of the Company based on their qualification, job experience, as may be applicable and as may be applicable to the grade, to which they belong.

Other Employees:

The Company will review the performance and competence in order to fix the remuneration and determination of increments of the employees.

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Initial remunerations are decided based on an employee's qualification, past experience, suitability for the job and the level for which the position is intended.

The Promotions are decided broadly on the basis of the Three parameters viz. availability of promotable position, consistent performance and potential of the incumbent to grow to the next level.

Loans / advances to the employees:

The Company has policy for granting loan / advances to its employees containing such terms and conditions including regarding interest, as it may deem fit. The Company may in special cases grant loan / advances beyond the limit prescribed in the said Policy. The Company may vary said Policy from time to time.

3. CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

I. QUALIFICATIONS

He / she shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, or other disciplines related to Company's business. The Company will have a blend of the Directors comprising of entrepreneurs, professionals etc.

II. POSITIVE ATTRIBUTES

- Clarity of vision
- Originality
- Objectively open to other people's ideas / points of view
- Is analytical, can get to the core issue quickly
- Challenges the status quo
- A good communicator, both in one-to-one and group situations
- Has the courage of their convictions - particularly in troubled times
- Is clear on their direction - knows where they are heading and why, and how to get there
- Minimizes the casualties from their decisions
- Maintains focus on the strategic direction
- Has high standards of integrity and insists on the same from others

Pradeep S. Parikh



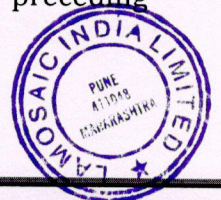
- Intellect - has a high level of intelligence
- Exercises sound judgement - particularly under pressure
- Knows the questions to ask
- Is a good listener, emotionally as well
- Is numerate - can read and understand financial statements
- Has a healthy self-esteem - but does not believe they are infallible
- Is strategic in thinking and outlook - but is also aware that successful implementation is what counts
- Understands the 'value proposition' of the business
- Is visionary - can see the big picture and read future trends
- Fun to work with i.e. should have good working relationship with other Board Members.
- Can make substantial contributions by taking part in deliberations during Meetings.

III. CRITERIA FOR INDEPENDENCE

An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director-

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a Promoter of the Company or its Holding, Subsidiary or Associate Company;
 - (ii) who is not related to the Promoters or Directors in the Company, its Holding, Subsidiary or Associate Company;
- (c) who has or had no pecuniary relationship, other than remuneration as such Director or having transaction not exceeding Ten per cent. of his total income or such amount as may be prescribed with the Company, its Holding, Subsidiary or Associate Company, or their Promoters, or Directors, during the Two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives:
 - A. Is / are holding any security(ies) of or interest in the Company, its Holding, Subsidiary or Associate Company during the Three immediately preceding

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financial years or during the current financial year of face value in excess of Fifty Lakh Rupees or Two percent of the paid-up capital of the Company, its Holding, Subsidiary or Associate Company, respectively, or such higher sum as may be specified.

- B. Is / are indebted to the Company, its Holding, Subsidiary or Associate Company or their Promoters, or Directors, in excess of such amount as may be prescribed during the Three immediately preceding financial years or during the current financial year;
- C. Has / have given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its Holding, Subsidiary or Associate Company or their Promoters, or Directors of such Holding Company, for such amount as may be prescribed during the Three immediately preceding financial years or during the current financial year;
- D. Has / have any other pecuniary transaction or relationship with the Company, or its Subsidiary, or its Holding or Associate Company amounting to Two per cent or more of its gross turnover or total income.

Provided that the pecuniary relationship or transaction with the Company, its Holding, Subsidiary or Associate Company or their Promoters, or Directors in relation to points (A) to (D) above shall not exceed Two percent of its gross turnover or total income or Fifty Lakh Rupees or such higher amount as may be specified from time to time, whichever is lower.

(e) Neither he nor any of his relatives:

- (i) holds or has / have held the position of a Key Managerial Personnel or is or has been employee of the Company or its Holding, Subsidiary or Associate Company or any Company belonging to the Promoter Group of the Company in any of the Three financial years immediately preceding the financial year.
- (ii) is or has been an employee or proprietor or a partner of firm of Auditors or Company Secretaries in practice or Cost Accountants of the Company , in any of the Three financial years immediately preceding the financial year and has or had any transaction with the Company, its Holding, Subsidiary or Associate Company amounting to Ten per cent or more of the gross turnover of such firm;

Sanjay S. Parikh



- (iii) He does not hold together with his relatives Two per cent or more of the total voting power of the Company.
- (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives Twenty-Five per cent or more of its receipts from the Company, any of its Promoters, Directors or its Holding, Subsidiary or Associate Company or that holds Two per cent or more of the total voting power of the Company.
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company.
- (f) He is not less than 21 years of age.
- (g) He is not a Non-Independent Director of any other Company on the Board of which any Non-Independent Director of the Company is an Independent Director.
- (h) He has complied with the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 in respect of registration of his name in the data bank of the Independent Directors maintained by the Indian Institute of Corporate Affairs ("IICA") and passed the online proficiency self-assessment test conducted by the institute within the time prescribed.

4. AMENDMENTS

Any subsequent amendment / modification in the Regulations issued by the Securities and Exchange Board of India / the Companies Act, 2013 and / or any other applicable laws in this regard shall automatically apply to this Policy. The same shall be added / amended / modified from time to time by the Board of Directors of the Company with due procedure.

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*Sanjay S. Parikh*

