

NOMINATION AND REMUNERATION POLICY OF
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

1. PREAMBLE:

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company and unlisted Company as may be prescribed shall constitute the Nomination and Remuneration Committee and formulate Nomination and Remuneration Policy.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013.

2. Definitions

- i. **“Act”** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. **“Board”** means Board of Directors of the Company.
- iii. **“Company”** means Golkunda Diamonds & Jewellery Limited
- iv. **“Directors”** mean Directors of the Company.
- v. **“Key Managerial Personnel” (KMP)** means
 - a. Chief Executive Officer or the Managing Director or the Manager or the Whole- time director;
 - b. Chief Financial Officer; and
 - c. Company Secretary;
- vi. **“Senior Management”** mean personnel of the Company other than KMP who are members of its core management team excluding the Board of Directors. This would include all members of management one level below the Executive Directors including all functional heads.
- vii. **“Committee”** means the Nomination and Remuneration Committee of the Company

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.

3. Role of the Committee:

I. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. 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 and recommend to the Board their appointment, remuneration and removal.

II. Membership

- i. The Committee shall consist of a minimum three (03) non-executive directors, majority of them being independent.

- ii. Membership of the Committee shall be disclosed in the Annual Report.
- iii. Term of the Committee shall be continued unless otherwise terminated by the Board of Directors.

III. Chairman

- i. Chairman of the Committee shall be an Independent Director.
- ii. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- iii. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IV. Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

V. Secretary

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

VI. Policy for appointment and removal of Director, KMP and Senior Management Personnel

A. Appointment criteria and Qualifications:

- i. 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 his/her appointment to the Board.
- ii. Appointment of a Person to the position of Director (including Independent Director) shall be subject to compliance of the provisions of the Companies Act 2013, the Rules made there under and any amendments made thereunder from time to time.
- iii. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

B. Evaluation:

The Committee shall ensure that the evaluation of performance of every Director is carried out at regular interval (yearly).

C. Removal

Due to reasons for any disqualification mentioned in the Companies Act,2013 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.

VII. Policy relating to the Remuneration for the Managing Director/Whole-time Director, KMP and Senior Management Personnel

A. General

- i.** The remuneration / compensation / commission etc. to the Managing Director/ Whole- time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval wherever required as per the law. 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/Managing 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 in the case of Whole-time Director/Managing Director.
- iv.** A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- v.** Where any insurance is taken by the Company on behalf of its Whole-time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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.

B. Remuneration to Managing Director /Whole-time Director, KMP and Senior Management Personnel:

i. Fixed pay:

The Managing Director / Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder for the time being in force. 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 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 Managing Director, Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government, if required as per provisions of Section 197 of the Companies Act, 2013.

iii. Provisions for excess remuneration:

If any Managing Director, Whole-time Director 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 provisions of Section 197 of the Companies Act, 2013 including any amendments from time to time.

C. Remuneration to Non- Executive/ Independent Director:

i. Remuneration / Commission:

The remuneration/commission shall be fixed in accordance with the provisions of the Companies Act, 2013 and Rules made there under.

ii. Sitting Fees:

The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof and that such fees shall not exceed the maximum amount as provided in the Companies Act, 2013.

iii. Commission:

Commission may be paid within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Companies Act, 2013, as amended from time to time.

iv. Stock Options:

Pursuant to the provisions of the Companies Act 2013, an Independent Director shall not be entitled to any stock option of the Company.

D. Remuneration to KMP and Senior Management Personnel:

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as May approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

VIII. Review and Amendment

- i. The Committee or the Board may review the Policy as and when it deems necessary.
- ii. This Policy may be amended or substituted by the Committee or by the Board as and when required.