



M/s Navkar Corporation Ltd
Container Freight Stations & Rail Terminals

NOMINATION AND REMUNERATION POLICY

NAV KAR CORPORATION LIMITED

1. INTRODUCTION

In terms of Section 178 of the Companies Act, 2013 (hereinafter referred to as the “Act”) and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”), as amended from time to time, this policy has been formulated by the Nomination and Remuneration Committee of the Company (hereinafter referred to as the “Committee”) and approved by the Board of Directors (hereinafter referred to as the “Board”). This Policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

2. OBJECTIVE:

The Key Objectives of this Policy are:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate to Directors, KMPs and Senior Management of the quality required to run the Company successfully.
- b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) To formulate criteria for evaluation of annual performance of the Board of Directors and Members of other Committees of the Board, KMPs and Senior Management and recommend remuneration payable to them to the Board.
- d) To formulate criteria for evaluation of Chairman, Independent Directors, Board as a whole and the Committees of the Board.
- e) To formulate the criteria for determining qualifications positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- f) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- g) To assist the Board in fulfilling responsibilities.
- h) To retain, motivate and promote talent and to ensure their sustainability and create competitive advantage.

3. DEFINITIONS:

- A. “Act” means the Companies Act, 2013 and the rules framed thereunder.
- B. “Board of Directors” or “Board” in relation to a Company, means the Board of Directors of the Company.
- C. “Company” means Navkar Corporation Limited.

D. "Directors" means Directors of the Company.

E. "Independent Director" means an independent director referred to in sub-section (6) of Section 149 of Companies Act, 2013 and Regulation 16 of Listing Regulations.

F. "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;

G. "Key Managerial Personnel" or KMPs means:

- i) the Chief Executive Officer or the Managing Director or the Manager;
- ii) Company Secretary ;
- iii) the 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.

H. "Senior Managerial Personnel" mean officers/ personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the ["chief executive officer/managing director/whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.].

I. "Listing Regulations" means SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE:

- a. The Nomination and Remuneration Committee ("the Committee") of the Board shall comprise of at least three Directors, all of whom shall be Non-Executive Directors and atleast two- thirds of directors shall be Independent. The Chairperson of the Committee shall be an Independent Director.
- b. The Committee shall identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down.
- c. The Committee shall recommend to the Board the appointment and removal (with reasons recorded in writing) of the Directors and Senior Managers of the Company and shall carry out evaluation of every Director's performance.
- d. The Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director.
- e. The Committee shall devise a policy on composition and size of the Board and succession planning for replacing key executives.
- f. The Chairperson of the Committee or in his absence any other member of the Committee as authorized by him in this behalf shall attend the General Meetings of the Company.
- g. The Committee shall monitor the implementation of this Policy and shall timely review this Policy and recommend amendment in the Policy to the Board of Directors as and when required.
- h. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance.
- i. The Nomination and Remuneration Committee shall meet at least once in a year.

5. TERMS OF REFERENCE OF NRC:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, 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. 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, the Committee may: use the services of an external agencies, if required consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates
- b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management

6. APPOINTMENT OF DIRECTORS/KMPs/SENIOR MANAGEMENT PERSONNEL:

Nomination Criteria for Directors: In identifying and recommending the candidature for appointment as Director, the Committee will consider any or all of the following criteria:

1. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, ability to bring exercise of independent judgment and judicious thinking, qualification, expertise as strategist, eminence in his field of expertise.
2. Possessing appropriate skills, experience and knowledge in one or more fields of Business including International Business, Strategy and Expansion, finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to preferably the company's business.
3. Non-disqualified under the applicable provisions of Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force, as the case may be;
4. Ensure that the proposed Director consents to act as Director and can devote his time and energies towards the overall development and betterment of the Company's business.

5. Ensure that the proposed Director discloses his interest and Company's shareholding, if any and Interest held in other companies, firm and body corporate and the Committee confirm that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
6. Ensure that the candidature of the Director will be in line with and promote the objectives enshrined in Company's policy on Board Diversity.
7. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, 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. 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, 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.
 - c. consider the time commitments of the candidates.

Additional Criteria for Appointment of Independent Directors: The Committee will consider whether the Director meets the criteria of Independence as well as other attributes as mentioned under the provisions of Section 149 of the Companies Act, 2013 read with applicable rules and Schedule IV made thereunder and Listing Regulations, including any amendments made thereof from time to time.

Nomination Criteria for KMPs / Senior Management personnel: The Committee will consider:

1. Ethical standards of integrity and probity, maturity and balance of mind to perform the designated role, qualification, expertise and experience.
2. Possessing adequate qualification, expertise and experience as prescribed by the Company for the position he / she is considered for appointment. The Committee for this purpose, if required, will avail the assistance of other top executives of the Company but however, has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Ensure that the person discloses his interest and the Committee confirm that such interest will not affect in discharging his duties towards the Company in pursuance of the said appointment.
4. Ensure that the Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager or Director who is below the age of Twenty-one years or has attained the age of seventy years without the approval of shareholders by passing a special resolution with proper justification.

Additional Responsibility of the Board: It is further to be noticed that it is the responsibility of the Board to obtain other relevant and applicable approvals and procedures as laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force and applicable as the case may be.

Term / Tenure, Continuity and Renewal: The Term / Tenure of the Directors, Key Managerial Personnel and Senior Managerial Personnel shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time. As regards the

continuity or renewal of their appointment; resignation and removal, the Committee will make its recommendations to the Board, based on the periodical evaluation process to be done under this document from time to time as well as subject to observation of provisions as contemplated under the Companies Act, 2013 and other applicable laws including Listing Regulations relating to disqualifications, resignation, removal and retirement. Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company respectively. The Board will have the discretion power to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, duly complying with applicable provisions of the Companies Act, 2013 and other competent regulatory.

7. REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

1) Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) Managing Director / Whole-time Director are also entitled to remuneration for services rendered by them in other capacity if,

- (i) the services rendered are of a professional nature; and
- (ii) in the opinion of the Nomination and Remuneration Committee, said director possesses the requisite qualification for the practice of the profession.

c) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

8. MATTERS PERTAINING TO EVALUATION:

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, listing agreement with stock exchanges, internal code of conduct and policies formulated by the Company for its internal execution. Therefore, it is necessary for the Company to carry out the evaluation of all the directors on an annual basis. As regards the evaluation process; Companies Act, 2013 and Listing Regulations contain broad provisions on Board Evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The provisions also specify responsibilities of various persons / committees for conduct of such evaluation and certain disclosure requirements as a part of the listed entity's corporate governance obligations.

Companies Act, 2013 and Listing Regulations lays down following criteria for evaluation of independent directors and Board as a whole.

Evaluation of independent directors: The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Disclosure requirements:

- a. A statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be included in the report by Board of Directors placed in the general meeting.
- b. The performance evaluation criteria for independent directors shall be disclosed in the section on the corporate governance of the annual report.

Subject of Evaluation:

As required under Listing Regulations and Companies Act 2013, the evaluation of the Board involves multiple levels:

1. Board as a whole
2. Committees of the Board
3. Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Nonindependent directors, etc.)

The Nomination and Remuneration Committee shall formulate the criteria for Evaluation of Independent Directors and Board as a whole on the basis of this NRC Policy and as per Companies Act, 2013 and Listing Regulations.

9. REVIEW AND AMENDMENT:

The NRC or the Board may review the Policy as and when it deems necessary;

The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary;

√ This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the Policy.

10. DESSIMINATION:

The details of the Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Boards Report therein and NRC Policy shall also be placed at the website of the Company i.e. www.navkardfs.com.

Approved on August 08, 2023