

**NOMINATION AND REMUNERATION POLICY**

**OF**

**ORKLA INDIA LIMITED<sup>1</sup>**



Version	Approved By	Date of Approval
1.0	Board of Directors	June 03, 2025

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<sup>1</sup>Formerly known as “Orkla India Private Limited” and “MTR Foods Private Limited”

## 1. **INTRODUCTION:**

Orkla India Limited (the “Company”) has formulated this Nomination and Remuneration Policy (“Policy”) to provide a framework for remuneration of members of the Board of Directors (the “Board”) of the Company, Key Managerial Personnel (“KMP”), Senior Managerial Persons (“SMP”) and to determine incentive mechanism for employees of the Company.

This Policy is guided by the provisions of Section 178 of the Companies Act, 2013, along with applicable rules made thereunder and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time.

## 2. **POLICY OVERVIEW & SCOPE:**

### **I. MATTERS TO BE DEALT WITH AND RECOMMENDED BY THE NOMINATION AND REMUNERATION COMMITTEE (“NRC”) TO THE BOARD:**

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director and recommend to the Board of Directors a policy relating to the Remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees.
- b) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- c) To Devise a policy on diversity of Board of Directors.
- d) To recommend remuneration of Directors, KMP, and Senior Management to the Board.
- e) To decide on extension or continuation of term for Independent Director based on performance evaluation.
- f) Evaluation of performance of Independent Directors and the Board.

### **II. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT:**

#### **a. Qualifications and Criteria for appointment:**

The NRC and the Board shall annually assess the review of the skills, knowledge, and experience needed for a diverse and effective Board.

In evaluating potential Directors, the NRC shall consider:

- Understanding of the Company’s business dynamics, global business, environmental, and social perspectives.
- Educational and professional background and professional standing.
- Personal and professional ethics, integrity, and values.
- Ability to devote sufficient time and effort to fulfill duties effectively.

#### **b. The Proposed appointees must meet the following requirements:**

- Possess a Director Identification Number (DIN).
- Fulfills requirements and shall not be disqualified under the Companies Act, 2013, SEBI Listing Regulations or other applicable laws.
- Provide written consent to serve as a director, commit to attending Board and relevant Committee meetings.

**c. Removal:**

Due to reasons for any disqualification mentioned in the Applicable Laws, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the Applicable Laws.

**d. Retirement:**

The Directors, KMP and Senior Management, shall retire in compliance with the Applicable Law and relevant policies of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management at the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the Applicable Laws.

**3. CRITERIA OF INDEPENDENCE**

The NRC shall be governed by the terms of reference as provided under the SEBI Listing Regulations and the Charter applicable to the NRC on the website of the Company. It shall evaluate the Independence of Directors at appointment or re-appointment, while the Board shall conduct an annual reassessment and review independence whenever a Director discloses new interests or relationships.

An Independent Director must:

- Meet the criteria for independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended.
- Comply with requirement as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Independent Directors shall adhere to the “Code for Independent Directors” outlined in Schedule IV of the Companies Act, 2013.

Further the appointment, re-appointment or removal of an Independent Director shall be subject to the approval of shareholders of the Company and shall hold office for a term up to 5 consecutive years on the Board of the Company and disclosure of such appointment in the Board’s Report. No Independent Director shall hold the office for more than two consecutive terms of maximum up to 5 years each and shall be eligible for appointment after 3 years of ceasing to be an Independent Director. Whether to extend or continue the term of appointment of the Independent Director is based on the performance evaluation of independent directors.

**4. OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS**

- Board members must possess sufficient time, expertise and experience to contribute effectively to the Company's Board. The NRC shall assess a Director's commitments, including the nature and time required for other board roles, when evaluating their suitability and making recommendations to the Board.
- A Director shall not hold directorships in more than 20 companies (including private and public), with a maximum of 10 being public limited companies, pursuant to Section 165 of the Companies Act, 2013.
- An Independent Director shall not serve on more than 7 listed entities; if serving as a Whole-time Director or Managing Director in a listed entity, the limit is 3 listed entities as per Regulation 17A of the SEBI Listing Regulations.
- A Director shall not be a member of more than 10 committees or chair more than 5 committees across all listed entities where they hold directorship as per Regulation 26 of the SEBI Listing Regulations. For this reason, only Audit Committees and Stakeholders' Relationship Committees of public limited companies (listed or unlisted) are counted, excluding private limited companies, foreign companies and Section 8 companies under the Companies Act 2013.

## 5. **REMUNERATION PRINCIPLES:**

### **A. Remuneration to Non-Executive Directors (NEDs):**

- a) NEDs receive remuneration as permitted under Section 197 of the Companies Act, 2013.
- b) In case of no profits or inadequate profits, the Board may approve commission to NEDs, in compliance with Section 197(3) and Schedule V of the Companies Act, 2013 and applicable rules.

### **B. Remuneration to Key Managerial Personnel (KMP) and Whole-time Directors:**

The remuneration / compensation / commission etc. paid to the Directors will be determined by the Committee in accordance with the provisions of the Act and recommended to the Board for approval.

The remuneration and commission to be paid to the managing Director/ whole-time Directors/executive Directors shall be in accordance with the provisions of the Act.

Where the Company provides insurance on behalf of its 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.

The NRC may, award and approve for grants of options in favor of any of its employees and may oversee a performance matrix to be established to assess the eligibility of such executive directors, SMPs, KMPs or employees, who will also be eligible for schemes for stock options to employees or the management, duly defined thereunder and in force from time to time.

### **C. Remuneration criteria for Senior Management:**

The remuneration for Senior Management is considered based on but not limited to the below:

- a) Experience, qualifications, talent, and performance (including financial and ESG - Environmental, Social and Governance – parameters).
- b) Industry benchmarks for comparable roles.

6. **REVIEW OF NOMINATION AND REMUNERATION POLICY:**

The NRC may periodically review and recommend to the Board amendments to this Policy as required by statutory or regulatory changes. Any amendments to applicable laws, including the Companies Act, 2013 or SEBI Listing Regulations, shall automatically modify the Policy to the extent of such changes.

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