

# **GANESHA ECOVERSE LIMITED.**

## **POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY**

**(Adopted w.e.f 30.05.2023)**

**CIN: L13114DL2003PLC118413**

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## **1. PREAMBLE**

The Board of Directors (the "Board") on the recommendation of the Nomination & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreements with the stock exchanges.

## **2. OBJECTIVES**

The main objectives of this Policy are:

- To lay down criteria for determining qualifications, attributes and independence of a director.
- To lay down criteria with regard to remuneration of directors, KMPs and other employees.
- To lay down criteria for evaluation of directors (executive and non-executive including Independent directors), the Board and its committees.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (executive and non-executive including Independent directors), Key Managerial Personnel ("KMP") and persons who may be appointed in senior management positions.

## **3. ATTRIBUTES, QUALIFICATIONS AND DIVERSITY POLICY**

### **3.1 Directors**

The Committee shall be responsible for identifying a suitable candidate for appointment as director of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Ganesha Ecoverse Ltd., subject to a minimum of 3 and maximum of 15, including woman Directors. The Board shall have an appropriate combination of Executive, Non-Executive and Independent Directors.

While making appointment / re-appointment of directors, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the industry and the related field viz. manufacturing, marketing, technology, finance, taxation, law, governance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable

from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed director satisfies the following additional criteria:

- Eligible for appointment as a director on the board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act 2013 and the listing agreements.
- Does not hold directorship in more than 20 companies (Including private and public limited companies) or 10 public limited companies.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.
- Completed the age of 21 years and has not attained the age of 70 years.  
Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

### **3.2 Independent Directors**

While evaluating a person for appointment/re-appointment as an independent director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of “independence” as set out in Section 149 of the companies Act, 2013 and Clause 49 of the Listing Agreements and other applicable laws.
- Should not hold the position of independent director in more than seven listed companies and if serving as whole-time director in any listed company then in not more than three listed companies.
- Should not hold any board/employment position with a competitor in the geographies where the company is operating. However, the Board may in special circumstances waive this requirement.

The reappointment / extension of term of any board members shall be on the basis of their performance evaluation report.

### **3.3 KMP & Senior Management**

While evaluating a person for appointment/re-appointment as KMP or in a senior management position, the management shall consider various factors including individual’s background, competency, skills, educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. manufacturing, marketing, technology, finance,

taxation, law, governance or such other discipline relevant to present and prospective operations of the Company.

**Senior Management** means personnel of the company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the executive directors, including all functional heads.

## **4. REMUNERATION POLICY**

### **4.1 Board Members:**

The overall limits of remuneration of the board members including executive board members are governed by the provisions of Section 197 of the Companies Act, 2013, rules made there under and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.

### **4.2 Non-executive directors including independent directors:**

- A Non-executive director shall be entitled to receive sitting fees for each meeting of the Board or committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Non-executive Directors shall be entitled to reimbursement of travel, hotel and other incidental expenses incurred by them in performance of their role and duties.

### **4.3 Executive Board Members:**

- The remuneration (Including revision in the remuneration) of executive board members shall be approved by the Board on the basis of the recommendation of the Nomination & Remuneration committee.
- The remuneration payable to executive directors may consist of (a) fixed pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company leased accommodation, other allowances and perquisites as per the Company's policy (b) Variable pay directly linked to the performance of the individual Director, his respective Business unit and the overall company's performance (c) long term incentive/ ESOPs as may be decided by the Nomination & Remuneration Committee from time to time.

#### **4.4 Remuneration to Key Managerial Personnel (Other than Managing Director and Whole-Time director), Senior Management and other employees**

- The remuneration of Key Managerial Personnel (other than Managing Director and whole time director), Senior Management and other employees, shall be as per compensation and appraisal policy of the Company.
- The remuneration payable to key managerial personnel (Other than managing director and whole time director) senior management and other employees may consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per company's policy (b) Variable pay (paid at the end of Financial year) directly linked to the performance of the individual employee, his/her respective business unit and the overall company performance (c) long term incentive/ESOPs, as may be decided by the Committee from time to time.
- The remuneration including annual increment and performance bonus will be decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

#### **5. PERFORMANCE EVALUATION:**

The performance of the Board as a whole, of its committees and of its members shall be evaluated at least once a year keeping in view the objectives of the Company.

It is the responsibility of the Chairman who shall be supported by the Company Secretary to organize the evaluation process and act on its outcome.

The results of board evaluation shall remain confidential between the Chairman, Directors concerned & the Company Secretary.

To carry out performance evaluation of Board, Committees and Directors, criteria to be considered would, inter alia, include following:

##### **5.1 Evaluation of the Board**

- Frequency of meetings and procedures;
- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures ;
- Willingness to spend time and effort to learn about the Company and its business; and
- Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

## **5.2 Evaluation of Committees**

- Discharge of its functions and duties as per its terms of reference;
- Process and procedures followed for discharging its functions;
- Effectiveness of suggestions and recommendations received;
- Size, structure and expertise of the Committee; and
- Conduct of its meetings and procedures followed in this regard.

## **5.3 Evaluation of Executive Director(s)**

- Achievement of financial / business targets prescribed by the Board;
- Developing and managing / executing business plans, operational plans , risk management and financial affairs of the organization;
- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of policies and strategic plans aligned with the vision and mission of the Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders;
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.
- Adherence to the code of conduct of the Company.

## **5.4 Evaluation of Non-Executive Directors**

- Participation at the Board / Committee meetings;
- Commitment (including guidance provided to senior management outside of Board / Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behavior and judgment;
- Impact and Influence;
- Adherence to the code of conduct of the Company.
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## **6. DISCLOSURES BY THE COMPANY**

This Policy shall be disclosed in the Company's annual report as well as on the Company's website.

## 7. POLICY REVIEW

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in the provisions of Companies Act, 2013 or any other regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

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