QUALITEK LABS LIMITED
Regd. Office: -73, National Park Lajpat Nagar-IV, South Delhi 110024
Corporate Office: -C-40 Sector 57, Noida (U.P) 201301
CIN: L74999DL2018PLC334105
Email: info@qualiteklab.com
Web: www.qualiteklab.com
Telephone: - 0120-4336939

QUALITEK LABS LIMITED

"NOMINATION AND REMUNERATION POLICY"

INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, the **"Nomination and Remuneration Committee"** shall be constituted by:-

- Every Listed Company
- Every Unlisted public Company
  - (i) Having Turnover of Rs. 100 Crores or More
  - (ii) With Paid-Up Capital of Rs. 10 Crores
  - (iii) Having in aggregate, outstanding loans or borrowings or debentures or deposits of Rs. 50 Crores

In order to align with the provisions of the Companies Act, 2013 and applicable rules thereto, the Nomination and Remuneration Committee formulated and proposed the nomination and remuneration policy. The Board of Directors of the Company has adopted the said Nomination and Remuneration Policy on the recommendation by the Committee.

OBJECTIVE AND PURPOSE

The objectives and purpose of this Policy are:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (Whole-time/ non-executive/ independent) of the Company ("Director");
- To recommend candidates for appointment as Directors, KMP and Senior Management;
- To establish and review succession plans of the Board of Directors of the Company ("Board"), KMP and Senior Management;
- To recommend policy relating to appointment and removal of Directors, KMP and Senior Management.
- To recommend policy relating to the remuneration of the Directors, KMP and Senior Management/ other employees to the Board;
  - (i) To review and approve corporate goals and objectives relevant to the compensation of the whole-time directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board),
  - (ii) To determine and approve whole-time Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE AND FORMULATION OF POLICY

The Board has constituted the Nomination and Remuneration Committee ("Committee") of the Board. The composition of the Committee is in line with the requirements under the Applicable Laws. This Policy is integral to the functioning of the Committee.

While formulating this Policy, the Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(c) remuneration to Directors, KMP 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. The Board has authority to reconstitute this Committee from time to time

The company secretary of the Company shall act as secretary to the Committee;

APPOINTMENT CRITERIA AND QUALIFICATIONS

The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs and others in senior management positions. A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.

The Committee shall determine the suitability of appointment of a Director by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'

TERM / TENURE

a) MANAGING DIRECTOR/WHOLE-TIME DIRECTOR
The Company shall appoint or re-appoint any person as its Chairman & Managing Director for a term not exceeding five years at a time and No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

b) Independent Director
An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report and No Independent Director shall hold office for more than two consecutive terms, but such Independent

REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT

- The remuneration / compensation / commission etc. to Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required.

- The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force and as amended from time to time.

- Increase 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 Directors. Such increase in remuneration will be effective from the date of re-appointment in respect of Managerial Personnel.

- Where any insurance is taken by the Company on behalf of its Directors, KMP 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. As regards to the senior management the remuneration shall be as per the HR policy of the Company and such remuneration payable shall be fixed by the Chairman in consultation with Committee and HR Department of the Company.

- **Remuneration to Non-Executive / Independent Director:**
  (i) **Remuneration / Commission:** The Non-Executive / Independent Directors shall not be eligible to receive any remuneration except by the way of sitting fees paid for attending the Meetings.
  (ii) **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount payable for attending the meeting of the Board or Committee, as provided in the Companies Act, 2013.
  (iii) **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company

REVIEW

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization.

AMENDMENT

This Policy can be modified at any time by the Board of Directors of the Company

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