



**NOMINATION AND REMUNERATION  
POLICY**

## **1. INTRODUCTION:**

This Nomination cum Remuneration Policy ("Policy") has been formulated pursuant to Section 178 of the Companies Act, 2013 read with applicable rules made thereunder (collectively, the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time.

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonize the aspirations of human resources with the goals of the Company.

The Policy has been adopted by the Board of Directors of Qess Corp Limited ("Qess" or "Company") in its meeting held on December 22, 2015.

## **2. OBJECTIVE AND PURPOSE:**

The objectives and purpose of this Policy are:

2.1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company ("Director"); and

2.2. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company ("Board"). This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive 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), determine and approve executive 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.

## **3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the "Nomination and Remuneration Committee" ("Committee") of the Board on April 28, 2014. This is in line with the requirements under the Companies Act, 2013 ("Act") and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

The Committee shall consist of 3 (three) or more non-executive directors out of which at least 2/3 of the directors shall be independent directors.

The Chairperson of the Nomination and Remuneration Committee shall be an Independent Director. The Chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

The Board has authority to re-constitute this Committee from time to time.

#### 4. DEFINITIONS

- a) 'Board' means the Board of Directors of the Company.
- b) 'Directors' means the Directors of the Company.
- c) 'Committee' means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board, in accordance with the Companies Act, 2013 and applicable SEBI Listing Regulations.
- d) 'Company' means Quess Corp Limited.
- e) 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f) 'Key Managerial Personnel (KMP)' means:
  - i. the Chief Executive Officer or the managing director or the manager;
  - ii. the Company Secretary;
  - iii. the whole-time director;
  - iv. the 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.
- g) 'Senior Management' shall mean officers/personnel of the listed entity who are members of its core management team, excluding Board of Directors and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity .

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and SEBI Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### 5. GENERAL

This Policy is divided in three parts: -

Part - A - covers the matters to be dealt with and recommended by the Committee to the Board;  
Part - B - covers the appointment and removal of Directors, KMP and Senior Management; and  
Part - C - covers remuneration for Directors, KMP and Senior Management.

**Part – A: Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt with by the Committee:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining our Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, and determining remuneration packages of such Directors;
- g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- j) 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;
- k) To perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee;
- l) Implementation of decisions regarding allotment of ESOP Shares;
- m) Recommend to the Board, all remuneration, in whatever form, payable to directors and senior management;
- n) To satisfy itself with regard to succession planning, that the processes and plans are in place with regard to the Board & senior management; and
- o) To perform such functions or duties as may be prescribed under the Companies Act, 2013, the SEBI Listing Regulations and any other applicable laws from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time.

**PART - B: Appointment and removal of Directors, KMP and Senior Management****(a) Appointment criteria and qualifications**

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. The Company shall not appoint any person as Managing Director / whole-time Director who has attained the age of 70 (seventy) year unless with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 (seventy) years.
5. The Company shall not appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (seventy-five) years unless special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. The Company shall ensure compliance with this provision at the time of appointment or re-appointment or time prior to the non-executive director attaining the age of 75 (seventy- five) years.
6. A whole-time KMP of the Company shall not hold office in more than 1 (one) company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

**(b) Term / Tenure**

1. Managing Director / Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole- time Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director shall hold office for a term up to 5 (five) consecutive 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.

No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

**(c) Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, 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 said Act, rules and regulations.

**(d) Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

**PART - C****Policy relating to the remuneration for Whole-time Directors, KMP and Senior Management****(e) General**

1. The remuneration / compensation / commission/ Stock incentives etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management 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.

**(f) Remuneration to other employees**

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer and Chief Operating Officer, in consultation with the Head- HR.

**(g) Minimum remuneration to Whole-time Directors**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

**(h) Remuneration to Independent Directors**

- i. The Company shall have such number of Independent Director as prescribed under the

applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

- ii. Remuneration: The remuneration payable to each Independent Director is based on the remuneration structure as recommended by the Nomination and Remuneration Committee and approved by the Board, and is revised from time to time, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
- iii. Stock incentive: The Independent Directors shall not be entitled to any stock incentive of the Company.
- iv. The remuneration to the Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- v. Sitting Fees: The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board. Provided that the amount of such fees shall not exceed the amount prescribed under the Companies Act, 2013 and rules/regulations/notification applicable thereunder.
- vi. Commission: The Company may pay the Commission to Independent Directors within the limit approved by shareholders and subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

## **6. POLICY REVIEW**

- (a) In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations under the SEBI Listing Regulations, which makes any of the provisions in the policy inconsistent with the Act or the SEBI Listing Regulations, then the provisions of the Act or the SEBI Listing Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- (b) 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 regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

## **7. VERSION HISTORY:**

- The policy was adopted by the Board of Directors at their Meeting held on December 22, 2015.
- The policy was further amended and approved by the Board February 18, 2020.
- The policy was further amended and approved by the Board February 03, 2023.
- The policy was further amended and approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 19, 2025.

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