

***SHINING TOOLS LIMITED***  
**NOMINATION AND REMUNERATION POLICY**



## NOMINATION AND REMUNERATION POLICY

- **PURPOSE**

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management.

- **APPLICABILITY**

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of the Company.

- **OBJECTIVES**

This policy is framed with the following objectives:

I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.

III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.

IV. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.

V. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

VI. To promote and develop a high performance workforce in line with the Company strategy.

VII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.

VIII. To adopt best practices to attract and retain talent by the Company;

- **DEFINITIONS**

I. **“Act”** means Companies Act, 2013 and rules framed thereunder as amended from time to time.

II. **“Board of Directors”** or **Board**, in relation to the company, means the collective body of the Directors of the Company.

III. **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

IV. **“Company”** means **“SHINING TOOLS LIMITED”**.

V. **“Managerial Personnel”** means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013

VI. **“Policy”** or **“This policy”** means Nomination and Remuneration Policy.

VII. **“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.





VIII. **“Independent Director”** means a Director referred to in Section 149 (6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

IX. **“Key Managerial Personnel” (KMP)** means

- a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;
- b. The Company Secretary and
- c. The Chief Financial Officer
- d. such other officers as may be prescribed.

X. **“Senior Management”** means officers/personnel of the Company who are members of its core management team excluding the board of directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## • POLICY

### 1. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

This Policy envisages the role and responsibility of the Independent Directors, Constitution of the Nomination and Remuneration Committee, terms of appointment of Managerial Personnel, Directors, KMPs, Senior Management, remuneration of the Managerial Personnel, KMPs, Senior Management, Independent Directors, Stock Options to Managerial Personnel, KMPs, Senior Management, other employees, evaluation of Managerial Personnel, KMPs, Senior Management, Independent Directors, etc.

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. The Chairperson of the nomination and remuneration committee shall be an independent director.

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable statutory requirements. The quorum for a meeting of the Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one independent director in attendance.

The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.

The Committee members may attend the meeting physically or through Video conference or through permitted audio –visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee (s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.





## **Composition of Nomination and Remuneration Committee**

The Board of Directors of the Company at their meeting held on 16<sup>th</sup> Day of November, 2024 have formed a Nomination and Remuneration Committee and subsequently reconstituted it from time to time. Subsequent to its latest reconstitution on 16<sup>th</sup> Day of June, 2025, the Nomination and Remuneration Committee is composed of the individuals listed below:

<b>Name of Director</b>	<b>Designation in the Committee</b>	<b>Designation</b>
Kiranben Vipulbhai Ghonia	Chairperson	Non-Executive Director
Dhruvi Shyam Kapadia	Member	Non-Executive Independent Director
Grishma A Shewale	Member	Non-Executive Independent Director
Palak Pankaj Shah	Member	Non-Executive Independent Director

## **2. ROLE AND POWERS OF THE COMMITTEE:**

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
- (2) Formulation of criteria for evaluation of performance of independent directors and the Board;
  - (3) Devising a policy on Board diversity;
  - (4) Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out effective evaluation of performance of Board, its committees and individual directors (including independent directors) to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
  - (5) Analysing, monitoring and reviewing various human resource and compensation matters;
  - (6) Deciding 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;
  - (7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
  - (8) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;





- (9) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (10) 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, if applicable;
- (11) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (12) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
- (13) 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) consider the time commitments of the candidates.
- (14) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorized by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.

### **3. Criteria for Determining the followings:-**

#### **3.1 CRITERIA FOR APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIORMANAGEMENT:**

A) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.

B) To practice and encourage professionalism and transparent working environment

C) To build teams and carry the team members along for achieving the goals/objectives and corporate mission





D) Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(E) To adhere strictly to code of conduct

### 3.2 TERM/TENURE

The Term of the Directors including Managing/Wholetime Director/ Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

### 3.3 Qualifications for appointment of Directors (including Independent Directors):

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- b) Their financial or business literacy/skills.
- c) Their Food industry experience.
- d) Appropriate other qualification/experience to meet the objectives of the Company.
- e) As per the applicable provisions of Companies Act 2013, Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

### 3.4 Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the food industries, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

### 3.5 Independence Standards

The following would be the independence review procedure and criteria to assist the Committee evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Regulations with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a director's independence





## ***Independence Review Procedures***

### ***1. Annual Review***

The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such Directors as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Regulations.

### ***2. Individual Director Independence Determinations***

If a director nominee is considered for appointment to the Board between annual general meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Regulations.

### ***3. Notice of Change of Independent Status***

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

## **4. RETIREMENT:**

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

## **5. Remuneration**

### **5.1 REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior managements. The Directors, Key Management Personnel and other senior management's salary shall be based "& determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Managements of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

### **5.2 REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.



## **6. MONITORING, EVALUATION AND REMOVAL:**

### **I. Evaluation:**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. The Framework for performance evaluation of Independent Directors and the Board is decided by Board and the Committee time to time.

### **II. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

### **III. Minutes of Committee Meeting:**

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

## **7. Policy on Board diversity:**

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge etc. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one woman director.

## **8. POLICY REVIEW:**

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

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 on the policy as recommended by the Committee would be given for approval of the Board of Directors.

## **9. DISCLOSURE:**

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

