SOMANY CERAMICS LIMITED

NOMINATION AND REMUNERATION POLICY

[Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Introduction:
Somany Ceramics Limited (hereinafter referred to as "SCL" or "Company") has formulated the Nomination and Remuneration Policy for its Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP") keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors/KMPs/SMPs, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the appropriate performance benchmarks.
- Ensuring that remuneration to Directors/KMPs/SMPs 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.

2. Scope and Exclusion:
This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the remuneration of the Directors, KMP and SMP of the Company.

3. Terms and References:
In this Policy, the following terms shall have the following meanings:

"Act" means Companies Act, 2013 read with rules clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.

"Board" means the Board of Directors of the Company.

"Director" means a director, whether Executive or Non-Executive, appointed to the Board of the Company.

"Independent Director" means a Director defined under Section 2(47) of the Companies Act, 2013.

"**Key Managerial Personnel**" means the persons defined under Section 2(51) of the Companies Act, 2013.

"Policy" means Nomination and Remuneration policy.

"**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification or re-enactment thereof.

"**Nomination and Remuneration Committee**" (NRC) means the committee constituted by SCL in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015.

"**Senior Management**" shall mean the officers and personnel of the Company who are members of the core management team, excluding the 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 provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, the Listing Regulations or any other relevant law.

4. Objectives of the Policy:

4.1 Nomination/appointment of Directors, Key Managerial Personnel and Senior Management Personnel of the Company:

Nomination and appointment of Directors, KMP and SMP of the Company shall be based upon appropriate qualifications, experience and attributes.

The NRC shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his / her appointment and removal based upon the need of the Company.

Appointment of Independent Directors shall also be subject to compliance of provisions of the Companies Act, 2013 and Listing Regulations.

For every appointment of an Independent Director, the NRC 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

4.2 Remuneration to Executive Directors, Key Managerial Personnel and Senior Management Personnel of the Company:

The remuneration structure to the Executive Directors, KMP and SMP may include the following components: (i) Basic Pay (ii) Perquisites and Allowances (iii) Stock Options(iv) Commission (Applicable in case of Executive Directors) (v) Retiral benefits (vi) Annual Performance Bonus and such other benefits as may approved/decided from time to time.

Remuneration to KMP and SMP shall be according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors, KMP and SMP of the Company within the overall limits approved by the shareholders, wherever applicable and in accordance with the provisions of the Companies Act, 2013 and Listing Regulations.

4.3 Remuneration to Non-Executive Directors:
The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company subject to compliance of provisions of the Companies Act, 2013 and Listing Regulations.

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors may also be entitled to profit related commission in addition to the sitting fees.

5. Board diversity:
The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, law, Sales and Marketing, Management, Banking, Engineering & Technology, governance, research etc. or as may be considered appropriate. In designing the Board's composition, NRC shall consider the Board diversity 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 atleast one Board member who has accounting or related financial management expertise and atleast one woman director.

6. Amendments to the NRC Policy:
The provisions of this Policy shall be monitored by the NRC. This Policy shall be subject to any amendments as per the relevant provisions of the Companies Act, 2013 read with Listing Regulations.

Though the Committee or Board shall have all the right to amend/alter/modify this Policy, however, this Policy may stand amended because of any regulatory amendments, clarifications etc. issued under the applicable laws. The amendment shall be deemed to be effective from the date on which such regulatory amendments, clarifications etc. comes into force. An appropriate recommendation shall be made to the Board to update the Policy accordingly.

In the event of any conflict between the provisions of this Policy and of any applicable act or Listing Regulations or any other statutory enactments, rules, the provisions of such act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment /modification in the Listing Regulations, act and/or applicable laws in this regard shall automatically apply to this Policy.

This policy is modified by the Board of Directors in their meeting held on 6th February, 2025 and is effective from 6th February, 2025.