

NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

This Policy provides a framework for remuneration to be paid to the members of the Board of Directors (hereinafter referred to as “Board”), Key Managerial Personnel (“KMP”) and the Senior Management (“SM”) of the Company (hereinafter referred to as “Executives”) and for identification of persons who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board their appointment and in accordance with statutory provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule I Part D, of the SEBI (Listing Obligations and Disclosure) Regulation, 2015 together with all/ any statutory amendment/ modifications thereof, the nomination and remuneration policy of the Company is introducing which will regulate the function of the nomination and remuneration committee of the Company. The expression KMP shall have the same meaning as defined under the Companies Act, 2013. “Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors and comprising all members of management one level below the chief executive officer/ managing director/ whole time director/ manager (including chief executive officer/manager in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

This Policy has been approved by the Board of Directors of the Company on March 13, 2025.

The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors from time to time.

II. DEFINITIONS

Act: shall mean the Companies Act, 2013.

Applicable Laws: refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rule, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015, together with all/ any statutory amendments thereto and all such other rules and provisions as applicable to the matters dealt in by this Policy. Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and the rules/ regulations made thereunder, as the case may be or in any amendment thereto.

Board of Directors or Board: in relation to the Company means the collective body of the Directors of the Company.

Company: shall mean **Aggcon Equipments International Limited**.

Committee or this Committee: shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Companies Act, 2013.

Independent Director: means a director referred to in Section 149(6) of the Companies Act, 2013 read together with regulation 16 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel (KMP) means:

- i) Chief Executive Officer or the Managing Director or the Manager,
- ii) Company Secretary,
- iii) Whole-time Director,
- iv) Chief Financial Officer and
- v) Such other officer as may be prescribed in the act.

Policy: means “Nomination and Remuneration Policy.

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.

Senior Management: means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of 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 Company Secretary and the Chief Financial Officer.

III. AIMS & OBJECTIVES

The aims and objectives of this Policy which shall be carried out by the Nomination and Remuneration Committee may be summarized as follows:

- The Policy aims to enable the Company to attract, retain and motivate high quality members for the Board and executives.
- The Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate applicable laws.
- The Policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values, and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- The Policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/ bonus/ promotion/ any other form) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management, and recommending to the Board, their appointment and removal and shall carry out evaluation of every Director's performance; Formulation of criteria for evaluation of Independent Directors and the Board.
- Determination of extension or continuation of the term of appointment of the Independent Directors on the basis of the report of performance evaluation of independent directors.
- Determining on an annual basis, desired qualifications along with the expertise, characteristics, and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;
- Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- Consideration and approval of employee stock option schemes and to administer and supervise the same;
- Developing a succession plan for our Board and senior management and regularly reviewing the plan;
- Performing such other activities as may be delegated by the Board and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

IV. COMPOSITION

The Board of Directors of the Company shall constitute a Committee to be known as Nomination and Remuneration Committee ***which shall consist of at least 3 Directors all of whom must be non-executive directors and at least two third of whom shall be independent Directors as Committee Members.*** This should be in line with the requirements of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable law. The Chairman of the Committee shall be an Independent Director. The Chairperson of the Company, whether executive or non-executive Director may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

V. COMMITTEE MEMBER'S INTEREST

A member / invitee of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

VI. MEETING OF THE COMMITTEE

The meeting of the Committee shall be held at such regular intervals as may be required under the applicable laws. Minimum two members or one third of the member, whichever is greater shall constitute a quorum for the Committee meeting. The Company Secretary shall act as a secretary to the committee. In the absence of the Chairman of the Committee, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholder queries.

VII.VOTING

- a) Matter arising for determination at committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

VIII.PRINCIPLES OF REMUNERATION

- Support for Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.
- Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- Internal equity: The Company shall remunerate the Executives in terms of their roles and responsibilities within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.
- Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.
- Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

IX. REMUNERATION TO NON-EXECUTIVE DIRECTORS/INDEPENDENT DIRECTORS

Non-Executive directors / Independent Directors may be paid remuneration by way of sitting fees and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the act applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- I. The Services are rendered by such Director in his capacity as the professional; and
- II. In the opinion of the Committee, the director possesses the requisite qualification and eligibility for the practice of that profession.
- III. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

X. REMUNERATION TO MANAGING DIRECTORS/ WHOLE TIME DIRECTORS

The remuneration to be paid to the Managing Director/ Whole Time Directors shall be governed by the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Shareholders of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board, as it may consider appropriate with regard to the terms, conditions and remuneration to be paid to the Executive Directors. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and/ or Whole-time Director (s) in accordance with the provisions of Schedule V to the Companies Act, 2013. In case the company is not able to comply with the requirement of Schedule V to the Companies Act, 2013, the Company shall pay the remuneration after compliance with the applicable requirements of law.

XI. REMUNERATION TO KMP/ SMP

The remuneration to be paid to KMP and SMP shall be recommended by the Nomination and Remuneration Committee and approved by the Board in accordance with the provisions of the Companies Act, 2013 and in accordance with the Company's remuneration Policy.

The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management Personnel.

XII. REMUNERATION TO OTHER EMPLOYEES

The remuneration of other employees shall be determined according to their qualifications, work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration shall be determined on the basis of evaluation done by the respective departmental heads in consultation with the HR head.

XIII. COMPENSATION STRUCTURE

Executives unless otherwise decided by the Committee shall receive a competitive remuneration package consisting of the following components and statutory benefits, as applicable::

- **Fixed salary**

Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company.

- **Variable Components**

In order to encourage common goals for the Executives and the shareholders of the Company and to meet the short- as well as long-term goals, the Nomination and Remuneration Committee considers it appropriate that incentive programmes exist for the Executives. Such incentive programmes may comprise any form of variable remuneration. Performance Incentive may be given either by way of a separate payment or as a differential in the salary increment or in such other manner as considered appropriate. Accordingly, such increment need not be separately quantified.

The variable components may be linked to compliance in full or in part with the targets. These may comprise personal targets linked to the performance of the executive in question, delivery of annual business results by the Company and/ or the unit in which the executive works for having regard to the prevailing business environment or the occurrence of a specific event. In addition, loyalty, attitude, foresight, potential for growth, motivation, dependability, initiative, and such other factors as deemed appropriate may also be taken into consideration. In case of Executives who are responsible for implementing long term strategy of the Company, a part of the variable pay may be set aside towards meeting such objectives.

The variable component may also include performance-based incentives, including Stock Options or Rights, to be granted to the employees, which could vest upon their achievement of certain performance parameters in order to ensure alignment of goals.

▪ **Personal benefits**

Executives may have access to benefits/ perquisites as per the rules and law applicable on the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/ or such other benefits as per the rules of the Company.

XIV. POLICY STATEMENT ON BOARD DIVERSITY

The Company recognizes that Board Diversity forms one of the pillars of a robust Corporate Governance framework. The members of the Board shall possess appropriate skills, qualification, characteristics, and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner. The Board of a Company should also provide leadership, strategic guidance, objective, and an independent judgement to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency, and disclosure.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to drive business result; enhance the quality and Independence of performance of the Board; improve the overall decision-making ability and process, make corporate governance more effective and enhance the corporate reputation.

The Nomination and Remuneration Committee shall be responsible for reviewing and assessing the composition and performance of the Board. The Committee shall assess the appropriate mix of diversity, skills, experience, and expertise required on the Board. The Committee shall review the Board composition in terms of the size of the Board. The Board shall have an optimum composition of Executive, Non-Executive, and Independent Directors in accordance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, the Listing Regulations and other Statutory/ Regulatory requirements.

XV. CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF SENIOR MANAGEMENT PERSONNEL

Director should possess high level of personal and professional ethics, integrity, and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

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 for such role shall meet the 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

In evaluating the suitability of individual Board members, the Committee shall take- into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background, and personal achievements. Factors like eligibility criteria, independence, term, and tenure of a Director shall be in accordance with the provisions of the Act for the time being in force.

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

The candidate for the appointment as senior management personnel should possess adequate qualification, characteristics and work experience.

The candidate for senior management should also possess high level of personal and professional ethics, integrity and values.

For any appointment as senior management personnel, the existing employees in the organisation may be preferred. While assessing the candidature of existing employee, his/her past performance in the Company and future potential should be taken into consideration.

XVI.EVALUATION

The Committee shall carry out evaluation of performance of Board, its Directors, its Committees, yearly or at such intervals as may be considered necessary.

XVII.MINUTES OF COMMITTEE MEETING

Proceedings of all the “Nomination & Remuneration Committee” meetings must be recorded and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

XVIII.AMENDMENTS TO THIS POLICY

The Nomination and Remuneration Committee is entitled to review this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy.

XIX.MISCELLANEOUS

This policy as framed and or amended by the Committee shall be recommended to the Board of Directors for its approval.

In case of any inconsistency of the provisions in the Policy with applicable law, then the provisions of applicable law would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with applicable law.
