

DHABRIYA POLYWOOD LIMITED

NOMINATION AND REMUNERATION POLICY

(Amended on September 03, 2025)

1. INTRODUCTION

Dhabriya Polywood Limited (hereinafter referred to as “DPL” or “Company”) has formulated this policy in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment or modification thereof).

The policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company. The Company considers that human resources are its invaluable assets and as a policy aims to realize full potential of such invaluable assets by harmonizing the aspirations of the human resources with the goals of the Company.

2. OBJECTIVE

The objectives of this Policy are:

- a. 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”);
- b. To recommend candidates for appointment as Directors, KMP and Senior Management;
- c. To establish and review succession plans of the Board of Directors of the Company (“Board”), KMP and Senior Management;
- d. To recommend policy relating to appointment and removal of Directors, KMP and Senior Management.
- e. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management/ other employees to the Board;
 - 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),
 - 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.

3. DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed there under, as may be amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Company**” mean Dhabriya Polywood Limited.

“**Committee**” means Nomination & Remuneration Compensation Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

“**Compliance Officer**” means the Company Secretary of the Company.

“**Directors**” means a director appointed on the Board of the Company including executive, nonexecutive and independent directors.

“**Key Managerial Personnel**” (**KMP**) means Key Managerial Personnel as defined under the Companies Act, 2013.

“**Senior Management Personnel**” (**SMP**) means the officers and personnel of the company who are members of its core management team, excluding the Board of Directors, and comprising 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 Company.

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

4. APPLICABILITY

This Policy is applicable to:

- a. Directors (Executive and Non-Executive)
- b. Key Managerial Personnel; and
- c. Senior Management Personnel

5. COMMITTEE CONSTITUTION AND DETAILS

The Committee shall comprise of at least three Directors, all of whom shall be non-executive directors and at least two third of whom shall be Independent Directors, the Chairperson being an Independent Director, or of such number of Directors as would be required under applicable laws. The Chairperson of the Company (whether or not a non-executive director) may be a member of the Committee but shall not chair such Committee. The Chairperson of this Committee or in case of his absence, any other person authorized by him, shall attend the general meetings of the Company.

The meeting of the Committee shall be held at such intervals as may be required under the applicable laws. The Company Secretary of the Company shall act as the Secretary of the Committee. A member of the Committee is not entitled to participate when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee. The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater, including at least one independent director in attendance. Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote. The Committee shall, as per the provisions of the Act, maintain written minutes of its meetings.

6. DUTIES IN RELATION TO NOMINATION AND REMUNERATION COMMITTEE

The duties of the Committee in relation to nomination and remuneration matters include:

- a. guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b. formulate the criteria for determining qualifications, positive attributes and independence of a director for the purpose of this Policy;
- c. evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- d. recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- e. provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the company's operations;
- f. retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- g. assist in developing a succession plan for the Board;

h. Any other responsibility as determined by the Board.

7. CRITERIA FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

A. Appointment Criteria and Qualifications

- i) 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.
- ii) 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.
- iii) 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.
- iv) For every appointment of an independent director, the 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 for such role shall meet the description.
- v) The Company shall appoint or continue the employment of a person as managing director /whole-time director and non-executive Director who has not attained the maximum age of retirement as prescribed under Applicable Laws.
- vi) A whole-time KMP of the Company shall not hold office in more than 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 .
- vii) The Company shall not appoint any resigning Independent Director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an Independent Director
- viii) The term/tenure of the Directors, KMP and Senior Management/ other employees shall be in accordance with the Applicable Laws and their respective contracts/ terms of appointment (and shareholders and/or government approvals, where relevant).

B. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

C. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the Applicable Laws.

8. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Each year, the NRC will formulate the criteria and the process for evaluation of performance of the Board, Individual Directors, Chairperson and the Committees of the Board and recommend the same to the Board.

The Board shall undergo the following and the NRC shall review its implementation and compliance with Applicable laws as well as the criteria and process laid out.

- a) Self-evaluation by each board member based on the criteria set by the NRC, including performance on business metrics and non-financial targets; and
- b) Annual Third-party evaluation by a recognized organization.

The evaluation of the Independent Directors shall be done by the entire board of directors which shall include:

- a) performance of the directors; and
- b) fulfilment of the independence criteria as specified and their independence from the management as specified under Applicable Laws

Directors who are subject to this evaluation shall not participate in their own evaluation.

The independent directors of the Company shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

The independent directors in their separate meeting shall, inter alia:

- review the performance of non-independent directors and the board of directors as a whole
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors
- assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Basis the evaluation results, the NRC will make its recommendations to the Board on the appointment / re-appointment / continuation of Directors on the Board.

9. REMUNERATION TO DIRECTOR, KMP AND SENIOR MANAGEMENT

A. Remuneration to Non- Executive / Independent Director

- a. The Non-Executive/Independent Directors of the Company shall be paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-Executive/Independent Directors shall be fixed by the Board and reviewed from time to time in accordance with Company's performance and the provisions of the applicable laws.
- b. The Non-Executive/Independent Directors may be paid commission as the Board may approve from time to time on recommendation of the Nomination and Remuneration Committee subject to limits prescribed in the Companies Act, 2013 or Rules made thereunder and approved by the shareholders.
- c. Travelling, fooding & lodging expenses of outstation Non-Executive/Independent Directors for attending Board/Committee meetings shall be borne by the Company.
- d. The Independent Directors shall not be entitled to any stock option of the Company.
- e. Where the annual remuneration payable to a single Non-Executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, then approval of the shareholders by special resolution shall be obtained every year.

B. Remuneration to Executive Directors

- a. The remuneration paid to Executive directors shall be recommended by the Nomination and Remuneration Committee and shall be approved by the Board of Directors, subject to the subsequent approval by the shareholders at the general meeting, as the case may be.
- b. The remuneration for Executive Directors shall be arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution and the financial position of the Company.
- c. The remuneration of the Executive Directors may be divided into fixed and variable pay.
- d. The remuneration to be paid to the Executive Directors shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.
- e. The fees or compensation payable to Executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
 - the annual remuneration payable to such Executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
 - where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits (calculated as per section 198 of the Companies Act, 2013) of the Company.

C. Remuneration to Key Managerial Personnel, Senior Management and Other Staff

As per the provisions of Section 178 of the Act and Listing Regulations, the Nomination and Remuneration Committee shall recommend the remuneration of the KMP/SMP of the Company. The Compensation for other employees would be guided by the external competitiveness and internal parity and shall be based on the KRA's identified and the achievement thereof. The increments shall usually be linked to their performance as well as performance of the Company. The remuneration structure can be divided into fixed and variable components and can also include issuance of stock options.

D. 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.

E. Minimum remuneration to Directors in the event of inadequate / no profits

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors including any managing or whole-time director or manager, or any other non-executive director, including an independent director in accordance with the provisions of Schedule V of the Act.

10. DISCLOSURE

This Policy shall also be placed on the website of the Company. Further, as per the provisions of the Act and the SEBI (LODR) Regulations, 2015, as amended from time to time, the necessary disclosures of this Policy shall be given in the Board's Report.

11. REVIEW AND AMENDMENT

This Policy is framed based on the provisions of the Applicable Laws. In case of any subsequent changes in the provisions of the Applicable Laws, which makes any of the provisions in the Policy inconsistent with such provision of the Applicable Laws, then such provisions of the Applicable Laws would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with Applicable Laws. On recommendation of the Nomination & Remuneration Committee or otherwise the Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.