



## **KANONE TECHNOLOGIES LIMITED**

Name of the Document	Policy On Appointment and Remuneration of Directors, Key Managerial Personnel, and Other Employees
Effective Date	01 <sup>st</sup> July, 2024
Approving Authority	Boards of Directors
Current Version	1.0

## **POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

### **Pursuant to section 178 of the Companies Act. 2013**

Approved by Audit Committee and Board of Directors Meeting held on 01<sup>st</sup> July 2024 and become applicable w.e.f from 01<sup>st</sup> July 2024

#### **"Introduction"**

In terms of Section 178 of the Companies Act, 2013, the policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management, and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The following matters of provisions of the Companies Act, 2013 have been included and considered while formulating the Remuneration Policy for the Company.

- a) Criteria determining the qualifications, positive attributes and independence of a Director.
- b) Appointment and removal of Directors, Key Managerial Personnel, and Senior Management.
- c) Remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees.
- d) Evaluation of the performance of the Directors of the Company.
- e) Scope and Role of the Nomination and Remuneration Committee
- f) Disclosures in the Directors' Report

#### **"Objectives"**

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining the qualifications, positive attributes, and independence of a director.

#### **"Remuneration Policy"**

##### **Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Directors and other Executive Directors.

	<p>This will be then approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to non-executive directors.</p> <p>The Company pays remuneration by way of salary, perquisites, and allowances (fixed component), and variable pay to the Whole-time Directors. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.</p> <p>The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.</p> <p>Independent Non-Executive Directors are appointed for their professional expertise in their capacity as independent professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees and Commission as approved by the Board and shareholders.</p> <p>The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically &amp; reviewed based on the industry benchmarks.</p>
<b>Key Managerial and Other Employees</b>	
	<p>The remuneration of employees largely consists of basic salary, perquisites, allowances, and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to the prescribed statutory ceiling. The components of the total remuneration vary for different grades, qualifications &amp; experience/merits, and performance of each employee. The annual variable pay of managers is linked to the performance of the Company in general and their performance for the relevant year measured against the Company's objectives fixed at the beginning of the year.</p>
<b><u>"Criteria for Identification of Persons for Appointment as Director &amp; in Senior Management"</u></b>	
	<p>A person should possess adequate qualifications, expertise, and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether the qualification, expertise, and experience possessed by a person is sufficient/satisfactory for the concerned position.</p> <p>A person should be a person of high integrity, and ethical standards, devote sufficient time to the Company, and have the required skills, expertise, and experience, and shall perform duties in a bonafide manner.</p>
<b><u>"Criteria for Identification of Persons for Appointment as an Independent Director"</u></b>	

	<p>The criteria adopted by the Nomination and Remuneration Committee are as under:</p> <ul style="list-style-type: none"> <li>• An Independent director shall possess appropriate skills, experience, and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations, or other disciplines related to the company's business.</li> <li>• An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bonafide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.</li> <li>• An Independent director should meet the requirements of Section 149 of the Companies Act, 2013.</li> </ul>
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