

***A G UNIVERSAL LIMITED***

**(F-1, 34/1 VIKAS APARTMENTS, EAST PUNJABI BAGH, NEW DELHI-110026, INDIA)**

**CIN: U25200DL2008PLC178400**

***NOMINATION AND  
REMUNERATION POLICY***

## **INTRODUCTION**

Pursuant to Section 178 of the Companies Act, 2013 read along with applicable rules and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 includes amendments thereto and in terms of circulars/ directions/ notification issued by Reserve Bank of India as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated. This policy shall always be in conformity with the provisions of the Regulations and any amendments in the Regulations shall be deemed to form part of this Policy.

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay justifiable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been reformulated by the Nomination & Remuneration Committee and approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

## **I. POLICY STATEMENT**

The Company is committed to deal with all stakeholders with full transparency and fairness, ensuring adherence to all laws and regulations and achieving highest standards of corporate governance. The Company considers its human resources and talent as critically valuable assets.

Our Policy on the Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel provides a framework based on which our human resources management aligns their recruitment plans for strategic growth of the Company.

## **II. SCOPE AND OBJECTIVE**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, as amended from time to time.

This Policy lays down the criteria for determining the qualifications, positive attributes and independence for Directors and to provide guidelines for the appointment and remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management of the Company.

The objective of the Policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and;
- Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

## **III. COMPLIANCE OFFICER**

The Company shall, from time to time, designate an employee of sufficient seniority, competence and independence as the compliance officer to ensure compliance with the provisions of this Policy ("Compliance Officer") and the same shall be notified to the Designated Persons.

## **IV. DEFINITIONS**

"Act" means the Companies Act, 2013, as amended from time to time.

"Applicable laws" means Securities Laws, Listing Regulations and other laws and statutes applicable to the Company. "Board" means board of directors of the Company as constituted from time to time.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“Company” means A G Universal Limited

“Key Managerial Personnel” means an individual as defined under Section 2(51) and Section 203 of Companies Act, 2013:

- i) the Chief Executive Officer or the Managing Director or the Manager;
- ii) the Company Secretary;
- iii) the Whole Time Director;
- iv) the Chief Financial Officer;
- v) such other officer, not more than one level below the directors who is in the whole-time employment, designated as key managerial personnel by the Board; and
- vi) such other person as may be prescribed by the Company from time to time.

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

“Policy” or “This 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 Managerial Personnel” mean officers/ personnel of the listed entity who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the chief executive director/ 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.

“SEBI Listing Regulations” means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

“Year” means financial year.

Any other term not define adhere in shall have the same meaning as defined in the Companies Act 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation and as amended from time to time.

## **V. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE**

The Board shall constitute the Nomination and Remuneration Committee in line with the requirements under the Companies Act, 2013, to guide the Board on various issues on appointment, evaluate the performance, remuneration of Directors, Key Managerial Personnel, etc.

## **VI. ROLE OF THE COMMITTEE**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.

- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board, Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To specify the manner for effective evaluation of performance of the Board, its committees and Individual Directors to be carried out by the Board, by the Nomination and Remuneration Committee or by independent external agency and review its implementation and compliance.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **VII. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

### **A. APPOINTMENT**

- 1) Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- 2) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position.
- 3) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

### **B. TERM / TENURE**

- 1) **Chairman/ Managing Director/ Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time under the terms of the applicable provisions of the law. No re- appointment shall be made earlier than one year before the expiry of term.
- 2) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- 3) No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each and such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Provided further that, at the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director/ Managing Director of a listed company, or such other number as may be prescribed under the Act.

### **C. EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

### **D. REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

### **E. 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.

## **VIII. POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL**

### **A) REMUNERATION TO MANAGING DIRECTOR/ WHOLE-TIME DIRECTORS/ EXECUTIVE DIRECTORS:**

1. The Remuneration/ Commission etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per the applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the requisite approvals shall be obtained from the Members of the Company and from other concerned authorities, if required as per the applicable provisions.
2. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.

### **B) REMUNERATION TO NON- EXECUTIVE/ INDEPENDENT DIRECTORS:**

1. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under 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 or shareholders, as the case may be.
2. All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies

Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

3. 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.
4. 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 for the practice of that profession.
5. The Nomination and Remuneration 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).

**C) REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

1. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy and subject to the compliance w.r.t. SEBI LODR Regulations, to the extent it is applicable to the Company.
2. The Nomination and Remuneration 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.
3. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
4. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IX. OTHER POINTS**

1. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
2. The Committee may delegate any of its powers to one or more of its members.

**X. MISCELLANEOUS**

1. Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and/ or the Companies Act, 2013 or Rules made there under.

2. In case of any doubt, ambiguity, dispute or difference arise out of the meaning/ interpretation of any word or provision in this Policy, the same shall be referred to the Committee, if formed, otherwise board and the decision of such Committee/ Board in such case shall be final.
3. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
4. This policy shall be effective from the date of Board approval, i.e. with effect from 26<sup>th</sup> August, 2023.

#### **XI. POLICY REVIEW AND AMENDMENTS**

1. Company's Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.
2. Company reserves the right to vary and/ or amend the terms of this Policy from time to time.

#### **XII. DISCLOSURES**

The policy shall be disclosed in the Annual Report, website i.e. [www.aguniversal.co.in](http://www.aguniversal.co.in) and such other places as may be required by the Act and rules framed there under, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being force.

#### **XIII. DISCLAIMER**

1. The Policy does not in any way restrict the provisions of the Companies Act, related rules and Regulations or any other statutory laws.
2. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.