



PRIME FRESH LIMITED

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Agreement, as amended from time to time. This Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS:

'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.

'Key Managerial Personnel' means

- the Chief Executive Officer or Managing Director or the Manager;
- the Company secretary;
- the Whole-time director
- the Chief financial Officer
- such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- such other officer as may be prescribed

'Senior Management Personnel' means personnel of the Company who are members of the core management team, excluding Board of Directors and are one level below the Executive Director including Functional Head.

OBJECTIVE:

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 of 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 goals.



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 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 Directors 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 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.

Appointment and Removal of Director, Key Managerial Personnel and Senior Management:

- a) The 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 to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient /satisfactory for the concerned position.
- c) 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 the special resolution.

Term/Tenure:

- a) 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 5 years at a time. No re-appointment shall be made earlier than one year before the expiry term.
- b) 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.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but 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.

At the time of appointment of Independent Director, it should be ensured that the number of Board 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 of a listed company or such other number as may be prescribed under the act.

Evaluation:

The Committee shall carry out evaluation of performance of a Director, KMP or Senior Management Personnel yearly or at such interval time to time.

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.

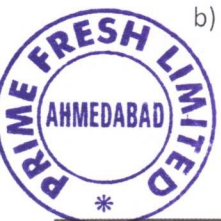
Retirement:

The Director, KMP or 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 or Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

Policy for remuneration to Directors/KMP/Senior Management Personnel:

1. Remuneration to Managing Director/Whole-time Director:

- a) The remuneration/commission etc. To be paid to Managing Director/Whole-time Directors, etc. Shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or other enactment for the time being in force and the approvals obtained from the members of the company.
- b) NRC shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to the Managing Director/Whole-time Directors.



2. Remuneration to Non-Executive/ Independent Director:

- a) 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 recommended by the NRC and approved by the Board of Directors.
- b) All the remuneration of the Non-executive/ Independent Directors shall be subject to ceiling limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the NRC and approved by the Board of Directors or Shareholders as the case may be.
- c) An Independent Director shall not be eligible to get stock options and also shall not be eligible participate in any share based payment schemes of the company.
- d) Any remuneration paid to Non-executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of remuneration for the purpose 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.
- e) The Compensation committee of the company constituted for the purpose of admiring the Employee Stock Option/Purchase Scheme shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3. Remuneration to Key Managerial Personnel and Senior Management:

- a) The Remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any in compliance with the provisions of Companies Act, 2013 and in accordance with the company's policy.
- b) The Compensation committee of the company constituted for the purpose of admiring the Employee Stock Option/Purchase Scheme shall determine the stock options and other share based payments to be made to Remuneration to Key Managerial Personnel and Senior Management.
- c) The fixed pay shall include monthly remuneration, employers Provident Fund, Contribution to Pension Fund, Pension Scheme, etc. as decided from time to time.
- d) 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 interval as may be considered appropriate.

IMPLEMENTATION:

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

