

**NOMINATION AND REMUNERATION POLICY  
OF  
SICAL LOGISTICS LIMITED**

Date of approval of Board : September 03, 2024

**I. INTRODUCTION**

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as "**Listing Regulations**"), this 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.

**II. DEFINITIONS**

For the purpose of this Policy, the following terms shall have the meanings assigned to them hereunder:

"**Act**" means the Companies Act, 2013 and rules made thereunder, as amended from time to time.

"**Board**" means board of directors of the Company.

"**Company**" means Sical Logistics Limited.

"**Independent Director**" means a director referred to in Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations

"**Key Managerial Personnel**" means key managerial personnel as defined under the Act and includes:

- i. Managing director, or chief executive officer or manager and in their absence, a whole-time director;
- ii. Company secretary; and
- iii. Chief financial officer.

"**Nomination and Remuneration Committee**" or "**Committee**" means nomination and remuneration committee of Board of the Company for the time being in force.

"**Policy**" means this policy on nomination and remuneration of directors, Key Managerial Personnel, Senior Management and other employees of the Company

including any amendments, if any made from time to time.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him/her 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 comprising of all members of management one level below the chief executive officer or managing director or whole time director or manager and including the functional heads of the Company.

Words and expressions used and not defined in this Policy but defined in the Securities and Exchange Board of India Act, 1992, Listing Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Act and rules & regulations made there under shall have the meanings respectively assigned to them in that legislation.

### **III. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements.

The Committee shall consist of three or more non-executive directors out of which not less than one-half shall be Independent Directors provided that the chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair the Committee. The membership of the Committee shall be disclosed in the annual report of the Company.

### **IV. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto, Regulation 19 and Part D of Schedule II of the Listing Regulations.

The objective of this Policy is to lay down a framework in relation to remuneration of directors, Key Managerial Personnel, Senior Management and other employees of the Company. The key objectives of the Committee would be:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
- ii. To 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;
- iii. Formulation of criteria for evaluation of performance of Independent

Directors and the Board;

- iv. Devising a policy on Board diversity, performance evaluation and succession planning for the Board and Senior Management;
- v. Identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- vi. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- vii. 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;
- viii. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of directors;
- ix. Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law.
- x. Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
  - a. administering the ESOP ("**Plan**");
  - b. determining the eligibility of employees to participate under the Plan;
  - c. granting options to eligible employees and determining the date of grant;
  - d. determining the number of options to be granted to an employee;
  - e. determining the exercise price under the Plan; and
  - f. construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

**V. CRITERIA FOR APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The Committee shall consider the following factors for identifying the person who are qualified to be appointed as director, Key Managerial Personnel and Senior Management in the Company:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, Key Managerial Personnel and Senior Management level and recommend to the Board his / her appointment.
- ii. 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.
- iii. 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, technical operations or other disciplines related to the Company's business.
- iv. The Committee shall not appoint or continue the employment of any person as whole-time director or managing 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.
- v. The Committee should ensure that the person so appointed as director/ Key Managerial Personnel /Senior Management shall not be disqualified under the Act, rules made thereunder, or any other enactment for the time being in force.
- vi. The director / Key Managerial Personnel / Senior Management shall be appointed as per the procedure laid down under the provisions of the Act, rules made thereunder, or under the Listing Regulations or any other enactment for the time being in force.
- vii. Independent Director shall meet all criteria specified in the Act and rules made thereunder and/or as specified in the Listing Regulations.
- viii. Any other criteria as may be prescribed by the Committee.

## **VI. TERM/TENURE**

### **i. Managing director/Whole time director**

The Company shall appoint or re-appoint any person as its executive chairperson, managing director or executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **ii. 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 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.

Further, Independent Director, who resigns from the Company, shall not be appointed as an executive / whole time director on the Board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.

Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors), 2014.

#### **VII. EVALUATION**

The Committee shall carry out evaluation of performance of directors, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary. The Company has adopted a policy on performance evaluation of directors and other employees of the Company the same can be accessed at [www.sical.in](http://www.sical.in)

#### **VIII. REMOVAL**

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable laws, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a director/Key Managerial Personnel/Senior Management subject to the provisions and compliance of the said Act and rules and regulations made there under.

#### **IX. RETIREMENT**

The director, Key Managerial Personnel and Senior Management 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 directors, Key Managerial Personnel and Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**X. BOARD DIVERSITY**

The Board shall consist of such optimum combination of executive, non-executive and Independent Directors (including one woman director) in accordance with requirements of the Act, Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

The Committee will lead the process for Board appointments and forward its recommendations to the Board. All Board appointments will be based on the skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective.

The Committee shall address Board vacancies by actively considering candidates that bring a diversity of background and industry experience or related expertise. The candidates will be considered against objective criteria having due regard to the benefits of diversity on the Board.

The Company has adopted the policy on Board diversity and the same can be accessed at [www.sical.in](http://www.sical.in)

**XI. CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS**

**i. Criteria for determining positive attributes**

The Committee shall consider the following factor for determining positive attributes of directors (including Independent Directors);

- a. Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- b. Actively update their knowledge and skills with the latest developments in the sector in which the Company operates and its market conditions and applicable legal provisions.
- c. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- d. To assist by bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- e. Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the Senior Management of the Company.
- f. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

ii. **Criteria for determining Independence**

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Act and rules made thereunder and the Regulations 16(1)(b) of the Listing Regulations.

XII. **POLICY FOR REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT**

i. **Remuneration to managing director / whole -time directors:**

- a. The Remuneration/ commission etc. to be paid to managing director / whole -time directors, etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and the approvals of the members of the Company shall be obtained.
- b. In case of inadequacy of profit in any financial year, the remuneration payable to the managing director / whole -time directors shall be further subject to the relevant provisions of the Act.
- c. Managing director / whole -time directors will not be paid sitting fees for any Board / committee meetings attended by them.
- d. The Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to managing director / whole-time directors.

ii. **Remuneration to non- executive / Independent Directors:**

- a. The non-executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board.
- b. 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) including any commission shall be subject to ceiling/ limits as provided under the Act 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 Nomination and Remuneration Committee and approved by the Board or shareholders, as the case may be.

- c. 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:

- A. The services are rendered by such director in his/her capacity as the professional; and
  - B. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- d. The payment of the commission to the non- executive / Independent Directors will be placed before the Board every year for its consideration and approval. The sitting fee payable to the non-executive / Independent Directors for attending the Board and committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.
  - e. Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive / Independent Directors, the practice of paying differential commission will be considered by the Board.
  - f. The 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.
  - g. Non- executive / Independent Directors are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending meetings of the Company.

iii. **Remuneration to Key Managerial Personnel and Senior Management and other employees:**

- a. The Remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's policy. The Company may follow salary structure which includes fixed salary, performance linked incentive and retirals (including provident fund and gratuity).
- b. The fixed pay may include basic salary, dearness allowance and other allowances.
- c. The performance linked incentive pay shall be decided based on the balance between performance of the Company/business and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate and as per the policy of the Company.
- d. The 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.

- e. Based on the grade and seniority of employees, benefits for employees may include:
  - Health-related
  - Health (hospitalization) insurance
  - Accident and life insurance
  - Retirement-related
  - Contribution to a superannuation fund (in addition to statutory benefits such as provident fund account, gratuity, etc.)
- f. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.
- g. A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employee.
  - i. Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.
  - ii. Employees may be eligible for grant of options under an employee stock option plan of the Company which may be adopted by the Company in the future, pursuant to shareholders' approval in and in accordance with applicable law.
  - iii. Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

### **XIII. COMMITTEE MEMBERS INTEREST**

- a. A member 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.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **XIV. IMPLEMENTATION**

- i. The Committee may issue guidelines, procedures, formats, reporting

mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.

- ii. The Committee may delegate any of its powers to one or more of its members.

**XV. DISSEMINATION OF POLICY**

This Policy shall also be posted on the website of the Company at [www.sical.in](http://www.sical.in) and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company.

**XVI. REVIEW**

The Board will review this Policy and make revisions as may be required.