

SUNRAJ DIAMOND EXPORTS LIMITED

REMUNERATION POLICY

1. Objectives:

The Nomination and Remuneration Committee and the Remuneration Policy is framed in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of Listing Regulations, as amended from time to time. The Key Objectives of the Committee would be:

- a. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend the Board their appointment as Independent Directors, Non-Executive Directors, Executive Directors, Key Managerial Personnel (KMPs) and Officers of Senior Management who are entrusted with the responsibilities for the achievement of strategic goals and operational performance of the Company.
- b. To formulate criteria for evaluation of the performance of the members of the Board, KMP's on a periodical basis as determined by the Board from time to time and submit their report to the Board in terms of the directions given by the Board from time to time.
- c. To recommend to the Board on Remuneration payable to the Directors, KMPs and Officers of the Senior Management from time to time.
- d. To identify, retain, motivate and promote talent and to issue necessary guidelines to the Management of the Company to pursue the said objective.
- e. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- f. To devise a policy on Board diversity.
- g. To develop a succession plan for the Board and periodically review the same.
- h. To specify the manner of effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance.

2. Definitions:

- a. “Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

- b. **“Board”** means Board of Directors of the Company.
 - c. **“Committee”** means Nomination and Remuneration Committee of the Company.
 - d. **“Directors”** mean Directors of the Company.
 - e. **“Key Managerial Personnel”** or **“(KMP)”** shall have the same meaning as defined under the Act and Listing Regulations.
 - f. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended from time to time.
 - g. **“Non-Executive”** means a director who is not a full-time director, i.e. a director who is not in the company's full-time role.
 - h. **“Officers”** or **“Executive”** mean any person who is a full-time employee of the company (i.e. whole-time director) or who is responsible for the day-to-day operations of the company (i.e. managing director) will be called an Executive Director. Thus, an Executive Director can be designated as Managing Director and whole-time Director.
 - i. **“Senior Management”** shall have the same meaning as defined under Listing Regulations.
 - j. **“Independent Directors”** means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of (Listing Obligations and Disclosure Requirements), Regulations, 2015.
3. **COMMITTEE:**
- a. The Committee shall be formed as per the provisions of Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of Listing Regulations, as amended from time to time.
 - b. The Chairperson of the Committee shall be an Independent Director;
 - c. Chairperson of the Company may be appointed as a member of the Committee but shall not chair such Committee;

- d. Chairperson of the Committee meeting may be present at the annual general meeting of the Company or may nominate some other member to answer the shareholders queries;
- e. The meeting of the Committee shall be held at such regular intervals as may be required;
- f. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

4. **ROLE OF COMMITTEE:**

The Committee shall:

- a. Formulate the criteria for determining qualifications, positive attitude 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.
- b. For every appointment of an independent director, the Nomination and Remuneration 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 to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - 1) use the services of an external agencies, if required;
 - 2) consider candidates from a wide range of backgrounds, having due regard to diversity, and
 - 3) consider the time commitments of the candidates
- c. Recommend to the Board, on any appointment of Director, KMP and Senior Management Officers.
- d. Formulation of criteria for evaluation of Independent Directors and the Board.
- e. The Committee shall also formulate the requirements from time to time with regard to the termination with regard to the above positions.
- f. The committee will ensure that necessary compliance to the Act / Listing Regulations or such other regulations as may be applicable from time to time will be followed by the Company.

5. Removal of Directors / KMP / Officers:

In exceptional circumstances, due to reason of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

6. Retirement of Directors / KMP / Officers:

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, KMPs and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. Remuneration for the KMPs and Senior Management Personnel:

- a) The remuneration / compensation / commission etc. to the KMPs and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing / Executive / Whole-time Director shall be in accordance with the provisions of the Act.
- c) If any Managing / Executive / Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the requisite approval, where required, the Committee shall ensure that refund of such sums to the Company expeditiously. The Committee shall not waive recovery of such sum refundable to the Company unless approved by the Company by special resolution within two years from the date the sum becomes refundable.
- d) Stock Options may be granted to eligible Managing / Executive Director / KMPs / Sr. Management as may be applicable as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

8. Remuneration to Non- Executive / Independent Director:

- a) The remuneration / commission shall be fixed as per the approval of the Board of Directors, Members of the Company and as per the provisions of the Act.

- b) The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such other higher amount as may be prescribed by the Central Government from time to time.
- c) Commission may be paid subject to the monetary limit as approved by the Members / Shareholders and the maximum limit of the applicable provisions of the Companies Act prevailing from time to time.
- d) Stock Options may be granted to eligible Non- Executive / Independent Director as may be applicable as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

9. Powers of the Board:

The Board shall have power and discretion to accept or reject all or any of the Recommendations of the Committee.

10. Dissemination of Policy:

This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Board's Report.

11. Amendments:

In case of any dispute between the policy and the provisions of any statutory enactment, the provisions of the statutory laws will prevail over the policy and the policy shall be amended to comply with the said statutory amendments thereto.