



NOMINATION AND REMUNERATION POLICY

PRANIK LOGISTICS LIMITED



Introduction

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objectives of the Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vi. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vii. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Effective Date

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on **26th May, 2024**. This policy shall be operational with immediate effect.

Definitions:

- **“Board”** Board means Board of Directors of the Company.
- **“Director”** Directors means Directors of the Company.
- **“Committee”** Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”** Company means **Pranik Logistics Limited**.



• “Independent Director”

As provided under Regulation 16(1) (b) of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a managing director, a whole-time director or a nominee director of the company:

- (i) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- (ii) who is or was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- (iii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) who, apart from receiving director’s remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the immediately three immediately preceding financial years or during the current financial year;
- (v) none of whose relatives —
 - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
 - (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
 - (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.



(vi) who, neither himself/herself nor any of his relatives —

(A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.

(B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or

(2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or

(D) is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;

(E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

(vii) who is not less than 21 years of age.

• **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP), in relation to a company, means-

- (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; and
- (v) 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
- (vi) such other officer as may be prescribed.

PRANIK LOGISTICS LIMITED



• **“Senior Management”**:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to:

- Directors (Executive and Non-executive)
- Key Managerial Personnel
- Senior Management Personnel

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 the Company’s policy and applicable statutory requirement.

General Appointment Criteria

- The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head ‘Definitions’ and also their appointment shall be governed as per the provisions of Regulation 16(1)(b) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.



Term / Tenure

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Criteria for Evaluation of Independent Director and the Board

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets / Criteria given to Executive Directors by the board from time to time.

2. Non-Executive Directors:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence;
- (f) inform the Board immediately when they lose their independence;
- (g) assist the company in implementing the best corporate governance practices;
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board; moderate and arbitrate in the interest of the company as a whole, in situations of conflict between



- management and shareholder's interest;
- (m) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

Roles, Powers and Membership of the Nomination and Remuneration Committee

1. Composition of the Committee

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee (NRC) of the Company shall be constituted as under:

- The Committee shall consist of a **minimum of three (3) Non-Executive Directors**, out of which **at least fifty percent shall be Independent Directors**.
- The **Chairperson of the Committee shall be an Independent Director**.
- 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 composition of the Committee shall be disclosed in the Annual Report and on the website of the Company as per regulatory requirements.

2. Quorum & Meetings

- The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is greater, including **at least one Independent Director**.
- The Committee shall meet as and when required, but **at least once a year**.

4. Roles and Responsibilities of the Committee

In addition to the objectives already outlined in this policy, the roles and powers of the Nomination and Remuneration Committee include:

A. Nomination-related roles:

- Oversee succession planning for Board members, KMPs, and Senior Management.
- Assess and recommend candidates for appointment/re-appointment as Director, KMPs or Senior Management.
- Review the structure, size, diversity and composition of the Board and make recommendations to the Board.
- Ensure "fit and proper" criteria for appointments under regulatory standards.

B. Remuneration-related roles:

- Recommend to the Board a compensation policy for Directors, KMPs, and Senior Management that:
 - Is aligned with the long-term interests of the Company and stakeholders.
 - Ensures a balance between fixed and incentive pay.
 - Considers industry benchmarks, performance, and individual contribution.
- Approve the grant of stock options or other equity-linked incentives (if applicable).
- Review and recommend increment proposals, bonuses, and perquisites for KMPs and Senior Management.



C. Governance and Compliance:

- Review disclosures in the Annual Report or Directors' Report regarding NRC matters.
- Ensure proper evaluation framework for performance appraisal of Board members including Independent Directors.
- Monitor adherence to the Code of Conduct for Directors and Senior Management.
- Ensure compliance with provisions of Section 178 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

5. Authority of the Committee

The Committee shall be entitled to:

- Seek external legal or professional advice, as it may consider necessary.
- Have access to information, records and employees of the Company, relevant to its functioning.
- Co-opt additional members or advisors for specific tasks or projects, with the approval of the Board.

Compensation Structure

1. Remuneration to Non-Executive Directors:

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees 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.

2. Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

Approval and publication

- (i) This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.



- (ii) This policy shall be hosted on the Company's website.
- (iii) The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

Supplementary provisions

- (i) This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- (ii) Any matters not provided for in this Policy shall be handled in accordance with relevant laws of land and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant laws of land and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- (iii) The right to interpret this Policy vests in the Board of Directors of the Company.