

## **APPOINTMENT AND REMUNERATION POLICY**

### **INDEX**

1. Definitions
2. Scope
3. Role and Responsibilities
4. Powers of the Committee
5. Meeting
6. Minutes
7. General Qualifications and Attributes for All Directors
8. PART I - Key Managerial Personnel
9. PART II - Non-executive Directors/ Independent Directors
10. PART III - Senior Management & Other Employees
11. PART IV – Board Diversity
12. PART V – Succession plan for Board Members and Senior Management
13. Compliance
14. Review/Amendment
15. Disclosures

## APPOINTMENT AND REMUNERATION POLICY

### 1. DEFINITIONS

- i. "**Act**" means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.
- ii. "**Articles**", or "**Articles of Association**" means the articles of association of the Company, as amended from time to time.
- iii. "**Board**" means the Board of Directors of the Company.
- iv. "**Company**" means Jain Farm Fresh Foods Limited.
- v. "**Constitution Documents**" means the Articles, the Memorandum of Association and the shareholders agreement executed between Mandala Primrose Co-Investment Limited, the Company and the promoters of the Company.
- vi. "**Executive Council**" means and includes [-----].
- vii. "**Group**" means the Company, its subsidiaries, affiliates, associates and shall also include its parent, Jain Irrigation Systems Limited and its subsidiaries.
- viii. "**Independent Director**" means an Independent Director of the Company appointed in pursuance of the Act / Constitution Documents.
- ix. "**Investor**" means Mandala Primrose Co-Investment Limited, having its address at Sanne House, Bank Street, Twenty-Eight, Cyber City, Ebene 72201, Mauritius.
- x. "**Key Managerial Personnel**" or "**KMP**" means person(s) appointed as such in pursuance of Section 203 of the Act.
- xi. "**NRC**" or "**Committee**" means Nomination and Remuneration Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act.
- xii. "**Other Employees**" mean all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- xiii. "**Rules**" means the rules framed under the Act.
- xiv. "**Senior Management**" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under Explanation to Section 178 of the Act.
- xv. "**Stock Options**" means the options given or to be given by the Company as per the Employees Stock Option Scheme/Plans of the Company that may be formed.

Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, or any other relevant law / regulation as applicable in context.

Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as Chief Financial Officer), his/her terms of appointment shall be governed by both Part I and Part III of this Policy and in the event of any conflict, the stricter clause shall prevail.

## **2. SCOPE & APPLICABILITY**

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and Senior Management possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to run the Company successfully.

This Policy shall be implemented by the Nomination and Remuneration Committee, subject to supervision of the Board and is applicable to Directors, Key Managerial Personnel and Senior Management.

Notwithstanding anything contained in this Policy:

- (a) the provisions of this Policy and all the actions specified in this Policy, shall at all times be subject to the provisions of the Constitution Documents and the rights of the Investor under the Constitution Documents;
- (b) Nothing contained in this policy shall be deemed to be a consent/approval/no-objection/affirmative vote/grant/permission etc of the Investor for any matter and/or item, for which the Investor's consent/approval/no-objection/affirmative vote/ grant/ permission etc, is required as per any of the Constitution Documents;
- (c) in the event of any conflict and/or contradiction between the provisions of this Policy and the provisions of the Constitution documents, the provisions of the Constitution Documents shall prevail;
- (d) if any action is taken by any person as per or pursuant to this Policy, which is in violation, breach, non-compliance and/or conflicting with the provisions of the Constitution Documents, then such action shall be void ab initio;
- (e) the provisions and/or terms and conditions of this Policy, does not amend, modify and/or supersede the provisions of the Constitution Documents; and
- (f) the provisions of this Policy does not constitute a waiver and/or release of any claims of any person, for any prior or subsequent breach and/or non-compliance of any of the Constitution Documents.

## **3. ROLE AND RESPONSIBILITIES**

The role and responsibility of the Committee shall be to undertake specific duties listed below and it will have the authority to undertake such other specific duties as the Board prescribes from time-to-time. The below mentioned roles and responsibilities are derived from the terms of reference of the Committee as determined and approved by the Board. Specific responsibilities of the Committee include:

### **A. For Directors -**

#### **a. Formulating criteria for appointment as a director**

The Committee shall formulate criteria (Note: It is suggested that a formal set of criteria be laid down and placed on record) for determining qualifications, skills, expertise, qualities, positive attributes required to be a director of the Company. The criteria to be formulated shall be not only beneficial to the Company but also shall consider the qualities and expertise essential for the Company to operate going forward in changing business environment. The Committee shall develop and recommend to the Board for its approval, criteria to be considered for nomination/appointment of a director.

#### **b. Identify persons who are qualified to be directors**

The Committee shall identify persons who are qualified to become directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as directors, whether independent, non-executive or executive. The existing directors who continue to satisfy the criteria may also be considered by the Committee for re-appointment.

### **c. Nomination of candidates for approval of Board**

The Committee on satisfaction of a potential candidate meeting the criteria and having completed the identification and selection process will recommend such person's candidature to the Board for appointment as an executive director, non-executive director or independent director, as the case may be.

The Committee may recommend the candidates to the Board when:

- Any vacancy in the board is required to be filled due to retirement or resignation as per the Constitution Documents and/or the Act, or
- Any vacancy arisen out of annual board performance evaluation, or
- Any vacancy as a result of end of tenure in accordance with the Act, or
- Any change required in the Board on account of diversity, or
- Any expansion of the Board, or
- Any change required by law.

### **d. Evaluation of the performance of the Board**

The Committee shall be responsible and authorised to determine a process for evaluating the performance of every director, committees of the Board and the Board on an annual basis. The Committee may seek the support and guidance of external experts and agencies for this purpose.

## **B. For Key Managerial Personnel and Senior Management -**

### **a. Approval of criteria, identification of persons and nomination of candidates required for key management personnel and senior management positions**

The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for key managerial personnel, and senior management positions like Managing Director & CEO, Chief Financial Officer and Company Secretary and member of the Executive Council of the Company. The Committee shall play a consultative role to Board and make recommendations to the Board regarding the appointments and changes to the key managerial personnel and senior management positions of the Company.

### **b. Evaluate the performance of the Managing Director or Whole-time Director and determine the executive compensation**

The Committee shall evaluate the performance of the Managing Director and Whole Time Director(s) by setting their key performance objectives or key performance parameters at the beginning of each financial year. The Committee shall ensure that such key performance objectives are aligned with the immediate and long term goals of the Company. The Committee shall also approve the compensation package of the Managing Director and Whole-time Director for recommendation to the Board/shareholders. The compensation structure shall include basic salary, perquisites, commission etc. The Committee shall ensure that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component. All the recommendations of the Committee shall be referred to the Board for approval.

### **c. Evaluation of KMP/senior management**

The Committee shall, from time to time, evaluate the performance of the KMP/Senior Management of the Company. The Committee shall also provide an overview of the remuneration payable to Key Managerial Personnel as defined under the Act and Senior Management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short-term, and long-term performance objectives appropriate to the working of the Company and its goals.

#### **d. Commission to the non-executive directors**

The Committee shall determine the commission payable to the non-executive directors after taking into their contribution to the decision making at meetings of the Board/committees participation and time spent as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

#### **COMPOSITION OF THE COMMITTEE**

The Committee shall initially consist of the following members:

- (i) [-];
- (ii) [-]; and
- (iii) [-].

The Committee shall consist of a minimum of [3] members, and a maximum of [5] members, at any time. Members can be added, removed, or replaced by a resolution passed by the [Audit Committee or the Board], through a simple majority. The tenure of any member shall be [5] years which may be extended by [5] year periods by the resolution of the [Audit Committee / Board].

#### **Quorum**

At least [3] members of the Committee must be present at any meeting of the Committee to constitute quorum. Should any meeting of the Committee not meet the quorum requirements, such meeting shall be adjourned for 7 days at the same time and location.

#### **Decision Making**

Subject to meeting the quorum requirements, all resolutions of the Committee shall be decided by simple majority of the members present and voting. Any resolution receiving equal approving and dissenting votes shall be tabled for the immediately following meeting. Should such a resolution again receive equal approving and dissenting votes when next voted upon, such event shall trigger a dead lock. Such deadlocked resolutions shall be referred to the [Board / Audit Committee as the discretion of the chairman of the Committee]

#### **Chairman**

The Committee shall choose amongst its members a chairman that shall preside over the meetings of the Committee. The Chairman shall not have a casting vote in case of deadlocks.

#### **4. POWERS OF THE COMMITTEE**

The Committee shall have, inter alia, the following powers:

- Conduct studies or authorize studies of issues within the scope of the Committee and will have full access to all books, records, facilities and personnel of the Company.
- Retain or seek advice of consultants and experts for evaluation of performance of their role under this policy and the costs relating thereto shall be borne by the Company.
- Delegate its powers or form sub-committees to perform any of its functions or role under this policy, subject to approval of the Board.

#### **5. MEETING**

The Committee shall meet at least once in six months. Additional meetings may be convened as the Committee deems fit and appropriate. Minutes of the meeting shall be circulated to the members of the Committee. The Committee shall report to the Board regarding actions taken by it and make necessary recommendations to the Board. The rules

applicable to the meetings of the Board shall apply mutatis mutandis to the Committee.

## **6. MINUTES**

The Committee will maintain written minutes of its meetings which will be filed and maintained in the same manner as the minutes of the meetings of the Board.

## **7. GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS**

Attributes required:

### **For Group Director: Top Management**

Group Director is a member of the Managing Board for the Group activities. The Managing Board is the Top Management Team. Collectively they will be known as Top Management (TM).

### **Who all can be included?**

The Top Management (TM) of the Company shall consist of such individuals who have significantly promoted, participated and/or contributed in founding, developing and/or sustaining the organizational growth and its culture.

The TM may also include such individuals who, to whatever extent, have had or continue to have financial interest and proprietary stakes in the building and running of the Company.

The TM may also comprise of such individuals who formulate the basic policies of the Company and direct its destiny.

Everyone to be included in TM shall have to possess, practice and display commitment to the mission, culture and compatibility to the organizational value system.

### **How is his position? Trusteeship/Stewardship:**

The TM is a Trustee of the property, image and culture of the Company. It is responsible for upholding and perpetuating the core and cherished values of the Company and also for moulding them for a better and brighter tomorrow.

In the conduct of the affairs of the Company, the TM would keep their individual interest secondary to those of the Company and would not take directly or indirectly any such action which will undermine the principle of the Trusteeship in its true spirit. The principle of Trusteeship is enumerated below –

*"Whatever you have is not yours; it is something which has been entrusted to you. It carries with it a responsibility to take care of whatever you have and to use it properly for others."*

### **How can separation take place?**

A member of TM shall willingly come forward to cease to be a part of the TM if he/she is at any stage unable or unwilling to strictly adhere to the principles of Trusteeship. The TM in such an event shall co-operate and bring about a feasible proposition whereby such an event does not impair the image of the Company and the concerned member is properly rehabilitated and helped to pursue work & mission of his choice.

### **What are their main functions?**

1. The TM would work towards imparting institutionalization and plan for creating and continuing an organizational entity which would largely remain independent of the individual members. Thus the individual members may arrive and exit but the Company shall continue to move with its own momentum perpetually towards its Mission.

In order to fulfill the Mission, members of the TM should make conscious efforts and develop a vision i.e. the art of seeing the things which are imperceptible. They

must be fired with enthusiasm to do something great, grand & unique, to take up great challenges and risks and be innovative. In order to translate the vision, the Mission pronounced by the founder is "Leave this earth better than you found it". The members of the TM would share the vision of grandeur for fulfilling the Mission. For the posterity, Mission is part of the heritage.

2. The individual members of the TM would not restrict, much less, slow down the progress and development of the Company merely on account of their individual preferences, frailties, inadequacies, lack of vision and/or lack of luster for growth.
3. The TM through a Committee would select, appoint and promote individuals at managerial levels. The Committee would also set standards of performance for them. These individuals would be responsible for an efficient day-to-day running of the Company and would also be accountable for meeting the specified objectives.
4. The TM would delegate authority liberally, though selectively, and develop built-in checks & balances so that such delegation of authority does not degenerate and persons remain accountable to TM and responsible towards ultimate success.
5. The TM would, however, view with leniency any omissions, excesses or inadequacies or even to an extent, the impertinence of the manager and/or senior manager so long as these have occurred during the performance of the duty, unintentionally and/or without any mala fide intention. Habitual behavior of this kind, however, is to be viewed seriously.
6. Perseverance and infinite capacity to take pains, together with respect for values of life and clean personal habits, have been responsible to bring up this Company to its present stature. The TM would make conscious efforts to inculcate these and such other attitudes on the part of their managers in particular and all others connected with the organization in general.
7. The TM would take it as its obligation the personal and family welfare of its managers and motivate them to reach for the best in them.
8. The managers, senior managers and directors are to be perceived as Role Models.

**What is the guiding principle/philosophy?**

Creation of wealth & surpluses is the purpose for which this organization exists. Its progress & prosperity and indeed the very survival will depend on its ability to be dynamic and adapting itself to meet the opportunities and challenges of the environment from time to time. The TM shall have this as a central theme.

The TM shall not make any compromise on the fundamental issues concerning the basic philosophy and core and cherished values of the Company even for achieving any material or pecuniary gains. The TM should always consider and be guided by the fairness of the means which are to be employed for achieving desired ends.

**Increment:**

Yearly increase or addition of an amount in the emolument of the associate.

**Promotion:**

Advance or raise of a person to a higher office and/or rank and responsibility by active encouragement and support. The raise may or may not be accompanied by an addition to the total compensation derived by the person.

**Stakeholders:**

All those for whom the organization is working and also those who are affected by the working for the Company. (Included are: customers, shareholders, depositors, bankers, collaborators, suppliers, dealers, vendors, warehousemen, shipping agents, distributors, associates and other Group companies, govt. & society).

**Constituent:**

Helping to make up a whole, a component part.

**Quality:**

Degree of Excellence.

**Career:**

Advancement through life.

**Corporate Management:**

Style and structure of management geared to considering problems and policies in the context of the total firm or organization and its resources, rather than a more departmentalized style in which the attitudes of individual managers are shaped by their sectional interest within the Company.

**Administration:**

Responsibility for efficient and effective (a) operations (b) procedures (c) interpretation of policy and translating it into effective execution action (d) Office management.

The prospective Director:

- Should be a person of integrity with high level of ethical standards.
- Should meet the requirements of the Act and other applicable laws for the time being in force.
- Should have the requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company. The relevant experience could be in areas of management, administration, sales, administration, research, Corporate Governance, legal, manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology, marketing, law, Agriculture, Water, Food or any related activity thereto or any other area considered necessary by the Board/NRC.
- Should be a person who is capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Is expected to:
  - a. Uphold ethical standards of integrity and probity.
  - b. Act objectively and constructively while exercising his/her duties.
  - c. Exercise his/her responsibilities in a *bona fide* manner in the interest of the Company.
  - d. Devote sufficient time and attention for informed and balanced decision making.



- e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- f. Not abuse his/her position to the detriment of the Company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
- g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
- h. Assist the Company in implementing the best corporate governance practices.
- i. Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
- j. Have ability to read and understand the financial statements.
- k. Protect confidentiality of the confidential and proprietary information of the Company.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.

This Policy is in compliance with Section 178 of the Companies Act, 2013 and applies to the following categories of Directors and employees of the Company:

- Part I - Key Managerial Personnel
- Part II - Executive / Non-executive Directors / Independent Directors
- Part II - Senior Management and other senior employees

## **PART I – KEY MANAGERIAL PERSONNEL**

PART I of this Policy further comprises of two parts as under:

PART A - Managing Directors / Whole-Time Directors (“EDs”)

PART B – Chief Executive Officer, Chief Financial Officer, Company Secretary and other KMPs

## **PART A- MANAGING DIRECTORS / WHOLE-TIME DIRECTORS (“EDs”)**

### **1) OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as EDs.
- The remuneration payable to the EDs is commensurate with their qualification, experience and capabilities and takes into account the past performance and achievements of such ED. A suitable component of remuneration payable to the EDs is linked to their performance, performance of the business and the Company.

- The remuneration payable to the EDs is reasonable with the remuneration paid to the EDs of other companies which are similar to the Company in terms of nature of business, size and complexity.

## **2) SPECIFIC QUALIFICATIONS AND ATTRIBUTES**

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Director satisfies the criteria set out under the applicable law for eligibility to be appointed as ED.

## **3) PROCESS OF APPOINTMENT AND REMOVAL**

### **a) Appointment**

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board along with the terms of appointment and remuneration. The Board will consider recommendations of NRC and approve the appointment and remuneration, subject to approval of the shareholders of the Company.

### **b) Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company and / or whose performance is deemed to be inadequate, NRC shall recommend to the Board his/her removal from the services of the Company.

## **4) COMPONENTS OF REMUNERATION / INCREMENTS**

Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits like car, telephone, etc. as per policy of the Company.
- Variable pay based on the performance of the individual, business and the Company as a whole.
- No Sitting Fee shall be payable for attending the meetings of the Board or committees thereof.
- Stock Options as per terms of the prevalent Stock Options Plan, if eligible.

## **5) INCREMENTS**

Increments will be granted by the Board on recommendation of NRC, based on the performance of the individual, performance of the business and the Company as a whole or could be as per scale approved for the term of appointment. It shall be within overall limit fixed by Shareholders of Company and capacity of Company to pay.

## **PART B – CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND OTHER KMPs**

### **1) OBJECTIVES**

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Company Secretary ("CS") and other Key Managerial Personnel ("KMPs").

- The remuneration payable to CEO, CFO, CS and KMPs is commensurate with his/her qualification, experience and capabilities and takes into account the past performance and achievements of such individual. Remuneration payable to them is comparable with the remuneration paid to persons performing the same or similar roles in other companies which are similar to the Company in terms of nature of business, size and complexity.
- A suitable component of their remuneration is linked to his / her performance, performance of the business and the Company.

## **2) QUALIFICATIONS AND ATTRIBUTES**

- Should be a person of integrity with high level of ethical standards.
- Have requisite qualification and experience as may be relevant to the task he / she is expected to perform.

NRC/ Board has the discretion to decide whether qualification, expertise, experience and attributes possessed by the person are sufficient / satisfactory for the concerned position.

## **3) PROCESS OF APPOINTMENT AND REMOVAL**

### **a) Appointment**

- Appointment of KMPs (including terms and remuneration) shall be approved by the Board, basis the recommendations of the NRC.

### **b) Removal**

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other applicable law, rules and regulations, Code of Conduct and / or Policies of the Company or terms of employment and / or whose performance is deemed to be inadequate, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal shall be recommended by NRC to the Board for its approval.

## **4) ELEMENTS / COMPONENTS OF REMUNERATION**

Remuneration and other perquisites / facilities (including loans/advances) shall be governed by the policies and practices of the Company from time to time. Remuneration shall consist of:

- Fixed remuneration including perquisites and allowances, retiral benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits like car, telephone, etc. as per policy of the Company.
- Variable remuneration based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.

## **5) APPRAISAL AND INCREMENT**

The Company follows biennial (once in 2 years) increment cycle.

Annual appraisal and biennial increment will be done by the Managing Director / Whole Time Director in consultation with the Chairman of the Company after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of:
  - a) individual;
  - b) business function handled by the individual; and
  - c) Company.
- The prevalent rate of increments given by companies of similar nature of business and size;
- The criticality of the individual to the Company in his capacity as a Key Managerial Personnel.

## **PART II – NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS**

### **A. OBJECTIVES**

- Identify persons who meet the criteria for independent directorship, if required, as set out under the Act and possess appropriate qualifications, experience and attributes for appointment to a Company of our size.
- The remuneration payable to the non-executive / independent directors takes into account the contributions of the Director to the performance of the Company. Remuneration payable to them is fair and reasonable and comparable with the remuneration paid by other companies which are similar to the Company in terms of nature of business, size and complexity.

### **B. SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR NON-EXECUTIVE / INDEPENDENT DIRECTORS**

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective non-executive / independent director should meet the requirements of Schedule IV to the Act.

### **C. Appointment**

- NRC shall identify suitable persons for appointment and recommend their appointment to the Board. The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-executive and/or Independent Directors subject to approval of the shareholders of the Company.
- The appointment of Independent Directors shall be formalized in accordance with the applicable laws.

### **D. Qualification and Attributes**

#### **(i) Non-Executive Directors:**

All non-executive Directors shall possess the following qualities:

- Impartiality;
- Loyalty;
- Decision- making (judgment);
- Professional repute.

**(ii) Independent Directors:**

Should preferably possess appropriate skills, experience and knowledge in one or more domains of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines that are related to the company's business, and possess qualities above mentioned for non-executive directors.

Independent directors shall also meet the following requirements:

- (a) Such individual shall not be a promoter or related to promoter of the company or its holding, subsidiary or associate company;
- (b) Such individuals must not have any material or pecuniary relationship during the two immediately preceding financial years or during the current financial year with the company or its promoters / directors / holding / subsidiary / associate company;
- (c) The relatives of such person should not have had any pecuniary relationship with the company or its subsidiaries, amounting to 2% or more of its gross turnover or total income or Rs. 50 lacs or such higher amount as may be prescribed, whichever is less, during the two immediately preceding financial years or in the current financial year;
- (d) He must not either directly or any of his relatives:
  - (i) hold or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - (ii) 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— (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company, then also he is not eligible for office of independent director; or
  - (e) who possesses such other qualifications as prescribed in Rule 5 as 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.

**E. Removal**

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company and / or whose performance is deemed to be inadequate and / or is determined to not have an independent thought process, NRC shall

recommend to the Board for removal of the appointee from directorship of the Company.

## **F. ELEMENTS/COMPONENTS OF REMUNERATION**

- Variable remuneration - Commission - As a % of the net profits of the Company as approved by the Board and/or the shareholders of the Company.
- Sitting fees for attending meetings of the Board and Committees thereof as approved by the Board and reimbursement of expenses for participation in the meetings of the Board and other meetings.

## **PART III – SENIOR MANAGEMENT & OTHER EMPLOYEES**

This section may not apply from the date this policy comes into force but to begin with only KMPs shall be included here and the list shall be expanded as and when need arises.

### **A. OBJECTIVES**

- Committee shall identify persons who possess appropriate qualifications, experience and attributes for appointment in the Senior Management and Other Employees category.
- Remuneration payable to the Senior Management and other employees is commensurate with their qualification, experience and capabilities and takes into account their past performance and achievements. Remuneration payable to them is reasonable with the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of nature of business, size and complexity.
- Depending on the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per the HR Policy of the Company.

### **B. QUALIFICATIONS AND ATTRIBUTES**

- Should be a person of integrity with high level of ethical standards.
- Senior Management: Should have the requisite qualification and experience as may be relevant to the task he / she is expected to perform.

NRC has the discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned Senior Management position.

- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per the HR Policy of the Company.

### **C. PROCESS OF APPOINTMENT AND REMOVAL**

Appointment

- NRC shall identify suitable persons for appointment in the Senior Management and recommend to the Board their appointment along with the terms of appointment and remuneration.

- The Board will consider recommendation of NRC and approve the appointment along with the terms of appointment and remuneration.
- Appointments to positions other than the Senior Management will be made as per the Company's HR policy.

#### **D. Removal**

- Where an employee in the Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company and / or whose performance is deemed to be inadequate, the Board may remove such employee from the services of the Company, on recommendation of NRC.
- In case of other employees, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

#### **E. ELEMENTS / COMPONENTS OF REMUNERATION**

Remuneration and other perquisites / facilities (including loans/advances) shall be determined from time to time, subject to and in accordance with the provisions of the Constitution Documents. Remuneration may consist of:

- Fixed remuneration including perquisites and allowances, retrial benefits (like Provident Fund/Gratuity/Superannuation/Leave encashment, etc.) and other benefits like car, telephone, etc. as per policy of the Company.
- Variable Pay based on the performance of the individual, the function and the Company as a whole.
- Stock Options as per terms of the prevalent Stock Options Plan.

#### **F. ANNUAL APPRAISAL AND INCREMENT**

The Company follows yearly appraisal cycle.

Annual appraisal and regular increment will be done by the Managing Director / Whole Time Director in consultation with the Chairman of the Company after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the:
  - a) individual;
  - b) business function handled by the individual; and
  - c) Company.
- The prevalent rate of increments given by the companies of similar nature of business and size.
- The criticality of the individual to the Company in his capacity as a member of the Senior Management or other employee's category.

### **PART IV BOARD DIVERSITY**

#### **A. POLICY STATEMENT:**

The Company recognize and embraces the benefits of having the diverse Board that possess a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A

truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age cultural and educational from time-to-time for it to function effectively.

### **B. Optimum composition:**

(a) The Board shall have an optimum combination of executive and non-executive directors as deemed best and appropriate to the needs of the Company as prevailing from time to time.

(b) At least one-third of the Board should comprise of independent directors.

(c) The Board shall at all times consist of at least 3 directors, and a maximum of 15 directors, of which at least 1 director shall be a resident of India for a total period of not less than 182 days in the previous calendar year;

(d) The Board shall have at least 1 woman director;

### **C. Functional diversity**

(a) Appointment of directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience, satisfactory background check and skill of the proposed appointee which is relevant to the business of the Company.

(b) Knowledge of and experience in domain areas such as food and beverage industry, manufacturing and processing industry, corporate, finance, legal, risk, management, etc., should be duly considered while making appointments to the Board level.

(c) While appointing independent directors, care should be taken as to the independence of the proposed appointee.

(d) Directorships in other companies may also be taken into account while determining the candidature of a person.

### **D. STAKEHOLDER DIVERSITY**

The Company may also have directors on its Board representing the interest of any financial institution or investor or any other person in accordance with the provisions of its Constitution Documents.

### **E. OBJECTIVE / PURPOSE**

This Policy aims to achieve diversity in the Board of Directors of the Company ("the Board") and shall be called "Policy on Board Diversity". The policy is framed by NRC in compliance with the provisions of the Act.

### **F. BASIC APPROACH**

In designing the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, cultural and educational background, community, nationality, geographical location, professional experience, subject / industry expertise and skills, to list a few. All Board appointments will be based on meritocracy and



candidates shall be considered against objective criteria, having due regard to diversity of the Board.

As far as practicable and subject to the provisions of the Companies Act, 2013, the Board may have:

- at least one Woman as a Director;
- one person with scientific or technical expertise relevant to the Company's business; i.e. Agriculture, Water, Management, Tissue Culture, Solar, Food.
- one person with expertise in finance /accounting/banking;
- one person with senior level managerial experience.
- One person with senior level legal/Regulatory background.

The NRC may consider the above factors while recommending to the Board a new person for appointment as Director. While aiming at diversity, all the appointments to the Board will be based on merit with respect to the skill, experience, independence, knowledge and expertise.

### **G. REVIEW / AMENDMENT**

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Companies Act, 2013 and/or any other applicable law or regulation, as appropriate.

## **PART V SUCCESSION PLAN FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

### **A. POLICY STATEMENT**

1. A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of Jain Farm Fresh Foods Limited (hereinafter referred as "Company") to be prepared for an eventual/permanent change in leadership, either planned or unplanned, to ensure the stability and accountability of the organization until such time as new permanent leadership is identified.
2. This policy only covers the guideline for identification and development of future leaders from the pool of internal talent working within the company or Group. However, the most deserving candidates should be selected for appropriate roles across the Group and therefore while this policy only covers guidelines for internal talent (working within the Company or Group), suitable and deserving candidates from outside the Group should be evaluated concurrently to replace existing internal talent or positions left vacant by internal talent. By accessing such external talent from outside the Group, the Company and Group will ensure that they have the best management and employees, to ensure a bright future for the Company and Group.
3. The Board of directors shall be responsible for supervising the implementation of this policy and its related procedures. It is also the policy of the Board to assess the permanent leadership needs of the organization and to ensure the selection of a qualified and capable leader who is representative of the community, a good fit for the organization's mission, vision, values, goals, and objectives, and who has the necessary skills for the organization.
4. To ensure the organization's operations are not interrupted while the Board of directors assesses the leadership needs and recruit and permanent executive officer, the Board will appoint interim executive leadership, in accordance with the policy described below.
5. The Chief Executive Officer (CEO) shall ensure that the organization continues to

operate without disruption and that all organizational commitments previously made are adequately executed, including but not limited to, loans approved, reports due, contracts, licenses, certifications, memberships, obligations to lenders or investors of the Company, and others.

6. It is also the policy of the Company, to develop a diverse pool of candidates and considered at least such number of finalist candidates for its permanent CEO position as may be determined by the Nomination and Remuneration Committee of the Company.
7. The Company shall adopt a recruitment process as the circumstances demand including implementation of an external recruitment and selection process while at the same time encouraging the professional development and advancement of current employees. The CEO and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the Nomination and Remuneration Committee according to the guidelines established for the search and recruitment process.

## **B. PROCEDURES FOR SUCCESSION**

1. For a temporary change in executive leadership (i.e. illness or leave of absence for long time) the immediate junior, officer, reporting to such executive, shall take charge of his senior's office till he joins the office or if he is not competent then such other person who is competent to take the charge as may be decided by the Managing Director.
2. In the event the Managing Director of the Company, is no longer able to serve in this position (i.e. leaves the position permanently), the Nomination and Remuneration Committee of the Board of Directors shall fill the vacancy for the time being, in following manner:
  - (1) Within 40 business days appoint an interim manager according to the following line of succession, after a thorough performance review and evaluation of the last several years:
    - (a) Senior Executive Director/Executive Director of the company;
    - (b) President/Vice President of the Company.
    - (c) Any other candidate that is deserving and suitable
  - (Note: In case there is more than one candidate eligible for the interim manager, then Nomination and Remuneration Committee shall select one candidate based on his experience and expertise after consulting the Chairman of the Board.)
  - (2) Within 30 business days, Nomination and Remuneration Committee of the Company shall take the responsibility and implement the following preliminary transition plan:
    - (a) Communicate with key stakeholders regarding appointment of interim manager;
    - (b) Establish a time frame and plan for the recruitment and selection process in consultation with the recruitment agency from among the existing pool of talent or from outside, depending upon requirement of the Company.
  - (3) The Board may authorize Managing Director for framing an internal policy for identifying and developing internal pool of talent for future leadership role in different department(s)/division in accordance with the requirement of such department(s)/division.

- (4) The Board shall review the succession policy periodically and if required, will make suitable changes in the policy keeping in view to the regulatory changes or changes due to business environment.

### **C. PURPOSE AND OBJECTIVES**

The Board of Directors (the "Board") of the Company needs to satisfy that plans are in place for succession for appointments to the Board, KMPs and the Senior Management. This plan aims to ensure smooth operations of the Company in the event of cessation of directorship of a Director or cessation of employment of a KMP or Senior Management employee of the Company.

### **D. APPLICABILITY**

This plan is a function of the Nomination and Remuneration Committee ("NRC") and is applicable to the KMP's Managing Directors / Whole Time Directors (the "Executive Director"), Non-executive Directors and Senior Management, as may be specified by the Board from time to time.

### **E. SUCCESSION PLANS**

#### **A. Executive Directors:**

1. NRC shall give its recommendation to the Board on the following matters, based on the performance evaluation of the Executive Directors:
  - a. Whether an Executive Director should be considered for re-appointment or not. In case NRC does not recommend re-appointment, it shall recommend a replacement of the outgoing Executive Director;
  - b. For removal of an Executive Director and recommendation of a replacement in place of the Executive Director proposed to be removed;
2. NRC shall also recommend appointment of a person as an Executive Director as a "substitute" of any Executive Director in case of any contingency including critical illness, death or resignation of such Executive Director.

#### **B. Non-executive Directors (the "NED") (Whether Independent or otherwise):**

NRC shall give its recommendation to the Board on the following matters, based on the performance evaluation of NEDs:

- a. Whether an NED should be considered for re-appointment. If NRC does not recommend re-appointment, it shall recommend a replacement of the outgoing NED;
- b. For removal of an NED and recommendation of replacement in place of the NED proposed to be removed.

#### **C. KMP or Senior Management (Other than Executive Directors):**

This section may not apply from the date this policy comes into force but to begin with only KMPs shall be included here and the list shall be expanded as and when need arises.

NRC shall recommend persons who may be appointed in place of KMP or Senior Management employees (as defined by the Board from time to time) on their retirement. NRC shall, in consultation with the Managing Director/Whole Time Director

and Chairman, identify a suitable person as successor who is either an employee of the Company; or any other person, who may be appointed and can take over the role and responsibilities discharged by the Outgoing Senior Management employee.

The Successor should be appointed as a designate before completion of term of the Outgoing Employee and shall work in close association with the Outgoing Employee.

In case NRC is not able to identify the Successor, the Company may take suitable actions including requiring any other Senior Management employee to assume the role and responsibilities of the Outgoing Employee.

NRC shall also endeavor to identify a suitable employee within the Company who may be required to assume the role and responsibilities of an Employee in case of any contingency including critical illness, death or resignation of such Employee.

The Company will institute a functional system for (a) internal grooming with the objective of promoting its employees to Senior Management; (b) lateral hiring to identify suitable persons who may be appointed in Senior Management positions; and (iii) handover of responsibilities of an Outgoing Employee to such new employee who will take on the role and responsibilities of the Outgoing Employee.

The Company may avail services of an external agency to assist in this process, as appropriate.

#### **F. MAINTENANCE OF RECORDS**

Human Resource Department of the Company shall maintain records of the Executive Directors, and Senior Management employee of the Company. Company Secretary shall maintain records of the Non-Executive Directors.

#### **G. REVIEW / AMENDMENT**

The Board may amend, abrogate, modify or revise any or all clauses of this Plan in accordance with the Act and/or any other applicable law or regulation.

#### **13. COMPLIANCES**

The terms/ process of appointment / re-appointment and remuneration of the Directors and other employees covered under this Policy shall be governed by the provisions of the Act, Rules, other applicable laws and the provisions of the Constitution Documents.

#### **14. DISCLOSURES**

Salient features of this Policy shall be disclosed in the Annual Report of the Company.

#### **15. REVIEW / AMENDMENT**

Based on the recommendation of the NRC, the Board may, subject to the provisions of the Constitution Documents, amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the Constitution Documents, Act, and/or any other applicable law.

---

**This Appointment and Remuneration Policy shall supersede all previous appointment and remuneration policies (whether oral or written), if any, and the Appointment and Remuneration Policy shall come into effect on such date as approved by the Board on 7<sup>th</sup> June, 2024.**