

## **LAMTUF LIMITED**

### **NOMINATION AND REMUNERATION POLICY**

**Adopted on 26.12.2024**

## 1. Legal framework and Objectives

Section 178 of the Companies Act, 2013 ("Act") read with the applicable Rules thereto and the provisions of clause 19 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (together referred to as "Applicable Laws") require the Nomination and Remuneration Committee ("NRC") of the Board of Directors of every listed company, among other classes of companies, to:

1. Identify persons who are qualified to become directors and who may be appointed as a KMP in accordance with the criteria laid down, and recommend to the Board their appointment and removal,
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director,
3. Devising a policy on diversity of Board of Directors,
4. Specifying the manner and criteria for effective evaluation of the performance of the Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. Basis on the performance evaluation results of Independent Directors, decide whether to extend or continue their term of appointment or not,
5. Recommend to the Board of Directors a policy relating to the remuneration of the directors, KMP and other employees,

This policy shall act as a guideline on some of the above-mentioned objectives of the NRC.

## 2. Definitions:

- a) **"Act"** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b) **"Applicable Laws"** means applicable provisions of the Act and the SEBI Regulations.
- c) **"Board"** means the collective body of the directors of the company.
- d) **"Committee"** means the Nomination & Remuneration Committee.
- e) **"Company"** means LAMTUF LIMITED.
- f) **"Directors"** means a director appointed to the Board of a company.
- g) **"Independent Director"** means as provided under Applicable Laws
- h) **"Key Managerial Personnel" or "KMP"** means
  1. the Chief Executive Officer or the managing director or the manager;
  2. the company secretary;

3. the whole-time director;
  4. the Chief Financial Officer
  5. 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
  6. such other officer as may be prescribed
- i) **"Policy"** means the Nomination and Remuneration Policy
- j) **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961
- k) **"SEBI Regulations"** mean the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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

### **3. Composition and Chairmanship**

The members of the committee will be appointed by the Board and may be removed by the Board in its discretion. These members will serve until removed by the Board or their successors have been duly appointed.

The Committee shall comprise of at least three directors and at least fifty percent of the directors shall be independent directors. All directors of the committee shall be non-executive directors.

The Chairperson of the committee shall be an independent director and shall be appointed by the Board. In case the Chairperson is not present at any committee meeting, the members present at the meeting shall, amongst themselves, elect a Chairperson for that particular meeting. The membership of the Committee shall be disclosed in the annual report.

### **4. Appointment and removal of Director and KMP:**

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment. In case of Directors and KMPs, in addition to the above specifications the NRC shall ensure that the potential candidates possess the requisite qualifications and attributes as per the Applicable Laws. With respect to removal of any Director, and / or KMP, the NRC shall in consultation with either the Chairman, other Directors or CEO (as appropriate), review the performance and/or other factors meriting a removal and subject to the provisions of the applicable Laws and the Articles of Association of the Company, recommend to the Board its course of action.

**5. Board Diversity:**

The Committee in their nomination process and while making recommendations to the Board shall endeavour to have an optimum combination of directors from different fields and gender. The Committee believes that a diverse and inclusive Board will be able to leverage different skills and perspectives which is essential for achieving long-term growth and development. The Committee policy on Board Diversity sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment /re-appointment as Director or as KMP, with no discrimination on the grounds of ethnicity, nationality gender or race or any other such factor. While reviewing the composition of the Board, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above.

**6. Board Familiarization and Learning:**

The NRC will adopt a structured program for orientation and training of Independent & Non-Executive Directors at the time of their joining so as to enable them to understand the Company - its operations, business, industry and environment in which it operates. The company has a separately defined Familiarization Program for the Directors which also focusses to update the Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions.

**7. Performance Evaluation of the Board, its committees and individual directors:**

Each year, the NRC will formulate the criteria and the process for evaluation of performance of the Board, Individual Directors, Chairperson and the Committees of the Board and recommend the same to the Board. The evaluation shall be carried out either by the Board, by the Committee or by an independent external agency and the NRC shall review its implementation and compliance with Applicable laws as well as the criteria and process laid out.

The evaluation of the Independent Directors shall be done by the entire Board of Directors which shall include:

1. performance of the directors; and
2. fulfilment of the independence criteria as specified and their independence from the management as specified under Applicable Laws

Directors who are subject to this evaluation shall not participate in their own evaluation.

The Independent Directors of the Company shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting. The independent directors in their separate meeting shall, inter alia:

1. review the performance of non-independent directors and the board of directors as a whole,
2. review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors,
3. assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties

Basis on the evaluation results, the NRC will make its recommendations to the Board on the appointment / re-appointment / continuation of Directors on the Board.

#### **8. Remuneration policy for executives:**

The Committee will recommend the remuneration/compensation/commission etc. to be paid to the Directors and Key Managerial Personnel, to the Board for their approval. The same shall be subject to the necessary and statutory and regulatory approvals in line with the provisions of the Companies Act, 2013.

#### **Guiding principles of the executive compensation program are:**

- **Alignment with Business Strategy and Level of Responsibility & Impact:**

As employees progress to higher levels in the organization, their performance has a greater direct impact on the strategic initiatives and business results.

- **Fixed/Base Salary Decisions:**

The Executives' fixed salary shall be competitive and based upon the industry practice and benchmarks considering the skill & knowledge, experience and job responsibilities.

- **Pay-for-Performance:**

A large portion of each Executive's total compensation is linked to the achievement of Company and individual performance goals. Such variable compensation is "at risk", and rewards performance and contributions to both short-term and long-term financial performance of the Company.

➤ **Performance Bonus Plan:** The Performance Bonus Plan rewards contribution to the achievement of the Company's annual financial, strategic and operational goals. The Performance Bonus drives high performance culture to achieve the organisation's objectives by differentiating rewards based on performance. The performance will be related to the fulfilment of various targets and attainment of business objectives, both at the Company and individual level.

➤ **Long Term Incentives:** Executives' compensation is linked to long-term stock price appreciation, and shareholder value creation through the Company's Long-term Incentives (LTI) plan. The LTI Plan balances executives' performance orientation and decisions to deliver on the short-term business outcomes with the long-term performance of the Company, both on financial and non-financial parameters

- **Competitive in Market place:**

We compete for talent globally. In order to attract and retain a highly skilled workforce, we must remain competitive with the pay of other employers who compete with us for talent.

## **9. Remuneration policy for non-executives Directors:**

Non-Executive Directors are eligible for sitting fees and commission not exceeding the limits prescribed under the Act in addition to reimbursement of expenses for attending the meetings of the Board and its Committees.

### **1. Profit-related commission:**

The approval of shareholders by special resolution shall be obtained if the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof. However, in the present position they are not proposing for profit related commission.

### **2. Sitting Fees:**

Non-Executive Directors may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof provided that the amount of such fees shall not exceed rupees one lakh per meeting of the Board or Committee or any such amount as may be prescribed by the Central Government and Applicable Laws from time to time. The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under Applicable Laws for payment of sitting fees without approval of the Central Government.

### **3. Stock Options:**

An Independent Director shall not be entitled to any stock option(s) of the Company.

Currently Profit related commission is not being paid to any of the directors as all the losses are not being wiped off.

## **10. Succession Planning:**

The NRC shall draft and recommend to the Board a succession plan for the appointments made to the Board of Directors as well as KMPs. The NRC shall review such plan on an annual basis and recommend revisions, if any, to the Board. The NRC shall work with the management and follow the following process for effective succession planning:

1. Assessment of potential employees and creation of a leadership pool
2. Development of the talent pool through actions such as involvement in strategic meetings, leadership workshops with top management, coaching, anchoring, job rotations, role enhancement, council memberships and involvement in cross function projects etc.

**11. Directors' and Officers' Insurance:**

Where any insurance is taken by the Company on behalf of its Directors / KMPs for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**12. Interpretation and amendments in law:**

The Board of Directors may on recommendation of the NRC and in their discretion, make any changes/modifications and/or amendments to this Policy from time to time.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and rules prescribed therein, as may be amended from time to time and per the Listing Agreement with Stock Exchange(s) as may be amended from time to time, shall have the meaning respectively assigned to them therein.

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.