

BLACK ROSE INDUSTRIES LIMITED

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

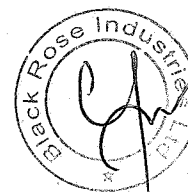
1. "Board" means the Board of Directors of the Company.
2. "Directors" means the Directors of the Company.
3. "Company" means Black Rose Industries Limited.
4. "Key Managerial Personnel" (KMP) means:
 - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole time Director;
 - ii) Company Secretary; and
 - iii) Chief Financial Officer
5. "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;
6. "Senior Managerial Personnel" means the personnel of the company who are members of its core management team excluding Board of Directors and KMP's.

Normally, this would comprise all members of management, one level below the Executive Directors, including functional heads.
7. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

Objective:

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and .



- remuneration to directors, KMP senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

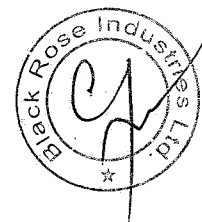
Nomination and Remuneration Policy

Nomination and Remuneration Policy is divided into four parts as follows:

- I **QUALIFICATIONS:** Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

a. Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.



b. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

c. Senior Management Personnel and KMP and Other Employees

The Company has an hierarchy structure displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the hierarchy structure of the Company.

II REMUNERATION:

a. Structure of Remuneration for the Managing Director, Executive Director, Key Managerial Personnel and Senior Management Personnel:

The Managing Director, Executive Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

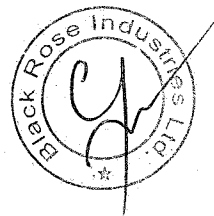
The table below depicts the standard components of remuneration package:

Minimum Remuneration to Executive Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

b. Structure of Remuneration for Non-executive Director:

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:



- Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at an Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. Structure of Remuneration for Other Employees:

The power to decide structure of remuneration for other employees has been delegated to appropriate department heads or the HR department, as the case may be under guidance of the management.

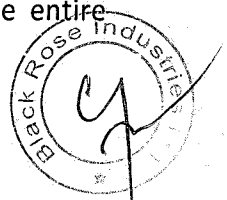
III. REMOVAL & RETIREMENT

- a. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.
- b. 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, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

IV. EVALUATION

a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire



Board of Directors excluding the Director being evaluated.

b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary based on the following criteria:

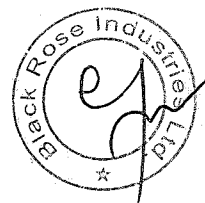
Ability to:

- apply professional knowledge to assigned duties so as to achieve a high standard of performance.
- use resources economically and judiciously.
- fulfill responsibilities in the development and training of staff.
- display foresight and plan beyond immediate needs.
- delegate responsibilities and exercise required degree of guidance and supervision.
- motivate subordinates effectively to produce desired results.
- maintain morale and look after the management of staff.
- exercise control over subordinates and gain their confidence.

c. Criteria for evaluating performance of Other Employees:

The power to decide criteria for evaluating performance of other employees has been delegated to appropriate department heads or the HR department, as the case may be. They shall carry out evaluation of performance of the other employees on the following criteria:

- Technical skills
- Quality of Work
- Interpersonal Skills
- Communication Skills
- Approach to Work
- Time Management
- Leadership skills



Communication of this Policy:

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

Implementation:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

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

Amendment:

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

