



LT FOODS LIMITED
CHARTER OF
NOMINATION AND REMUNERATION
COMMITTEE

INTRODUCTION & PURPOSE

This charter is framed in accordance with:

- Section 178 of the Companies Act, 2013
- Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014
- Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The purpose of the Nomination and Remuneration Committee ("**the Committee**") is to ensure, in consultation with the Board of Directors ("**the Board**"), that the Company appoints competent, qualified, and suitable individuals to leadership positions. It also ensures that such individuals are remunerated in a fair, structured, and transparent manner, taking into account their roles, responsibilities, experience, and performance. The Committee further seeks to align remuneration with the Company's long-term objectives, promote merit-based recognition, and uphold high standards of corporate governance. The Committee is responsible for the following:

- I. Identify persons who are qualified to become Directors;
- II. Identify who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- III. Specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- IV. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- V. To recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- VI. To recommend to the Board, a policy relating to the succession planning for Directors, Key Managerial Personnel and the Senior management

This charter has been prepared keeping in view the extant provisions of the applicable laws and bylaws of the Company. However, if due to subsequent changes in the applicable laws, any part of this charter becomes inconsistent then the provisions of the applicable laws shall prevail.

COMPOSITION

- The Nomination and Remuneration Committee shall consist of at least three (3) and up to six (6) directors as members. The members of the Committee may or may not be shareholders of the Company, all of them elected by the Board of Directors for a term of office that will coincide with the term of office of the directors, and re-election is permitted.
- All Directors of the Committee shall be Non-Executive Directors and at least two-third of the Directors shall be Independent Directors.
- The Chairperson of the committee shall be an Independent Director.

- In the event of a casual vacancy arising in the office of a director who is also a member of the Committee, such vacancy shall be filled by the Board at the earliest possible opportunity, and in any case not later than three (3) months from the date of the vacancy, in accordance with the applicable provisions of law.

The members of the Committee shall be entitled to receive sitting fees for attending each meeting of the Committee, in accordance with the sitting fees approved by the Board of Directors and the shareholders of the Company.

SECRETARY

The Company Secretary shall act as a Secretary to the Committee Meetings.

MEETINGS AND QUORUM

- The Committee shall meet at least once in a financial year. The Committee shall also meet additionally, as and when any item of business is required to be approved by the Nomination and Remuneration Committee.
- Notice of each Committee meeting, along with the agenda and relevant notes, shall be circulated to all members of the Committee at least seven (7) days in advance.
- The quorum for Meetings of the Nomination and Remuneration Committee shall be either two Members or one-third of the Members of the Nomination and Remuneration Committee, whichever is higher, including at least one Independent Director in attendance.
- The Committee may invite such of the executives, as it considers appropriate to be present at the Meetings of the Committee. On occasions considered necessary, the Committee may also meet without the presence of any executive of the Company.
- The Chairman of the Committee shall attend the Annual General Meeting and should be available to answer shareholder queries and provide clarifications that may be sought on matters dealt by the Committee.
- The decisions to be taken by the Committee members may be taken by way of a circular resolution, wherever permitted under the law.
- The meetings of the Committee may be attended by means of Audio-Visual Mode, videoconferencing or any other means of communication that allows the identification of the members of the Committee and simultaneous communication with all other persons attending the meeting. In case of the members of the committee attending the meeting through Audio-visual mode, video conferencing or any other means of communication, Committee members must ensure that no unauthorized party has access to the proceedings of the meeting. Committee members who attend the meetings in the aforementioned manner will be deemed to be present at the meeting and must sign the corresponding minutes.

TERMS OF REFERENCE

The terms of reference of the Nomination & Remuneration Committee are in accordance with the provisions of Companies Act, 2013 (hereinafter referred as 'the Act') and • Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Nomination & remuneration committee shall include the following:

- i. Recommend to the Board the setup and composition of the Board and its Committees, including the “Formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The Committee periodically reviews the composition of the Board to achieve an optimum balance of size, skills, independence, knowledge, age, gender and experience thereby promoting appropriate diversity on the Board of the Company
For appointment of Independent Directors, the NRC evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepares a description of the role and capabilities required. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description;
- ii. Devise and review a Policy on Board diversity;
- iii. Recommend the appointment/reappointment or removal of Directors, in accordance with the criteria laid down, including Independent Director’s, on the basis of their performance evaluation report;
- iv. Recommend on voting on resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies and provide guidelines for remuneration of Directors on material subsidiaries;
- v. Identify and recommend to the Board, appointment or removal of Key Managerial Personnel (‘KMP’) and Senior Management of the Company in accordance with the criteria laid down.
- vi. Carry out evaluation of every Director’s performance and support the Board, its Committees and individual Directors, including “Formulation of criteria for evaluation of Independent Directors and the Board”;
- vii. Oversee the performance review process for the KMP and Senior Management of the Company with a view that there is an appropriate cascading of Company’s goals and targets as well as on an annual basis review the performance of the Directors, KMPs, Senior Management and recommend their remuneration;
- viii. Recommend to the Board on the extension or continuation of the term of appointment of Independent Director’s, based on the report of performance evaluation of the Independent Director’s;
- ix. Recommend the Remuneration Policy for Directors, KMP, Senior Management.
- x. Review matters related to voluntary retirement and early separation schemes;

- xi. Oversee familiarization programmes for Directors including induction of new directors;
- xii. Implement and administer any Employees Stock Option Scheme(s) approved by the Board and to establish, amend and rescind any rules and regulations relating to the Scheme(s), and to make any other determinations that it deems necessary or desirable in connection with the Scheme;
- xiii. Ensure that any increase in the remuneration of a Board member, Key Managerial Personnel (KMP), or Senior Management personnel is considered after taking into account remuneration trends and increases granted in peer companies and industry benchmarks

Ensure that the appointment or removal of Directors, Key Managerial Personnel (KMP), or Senior Management personnel is carried out in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other applicable laws or regulations; and
- xiv. Perform other activities related to the NRC charter as requested by the Board from time to time, as well as, all other activities as mandated to be conducted by the NRC, as per the applicable regulatory requirements.
- xv. Formulate and implement a structured framework to ensure effective succession planning for Directors, Key Managerial Personnel, and Senior Management of the Company.

POWERS OF THE NOMINATION & REMUNERATION COMMITTEE

The committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary and also has the power to access all necessary records, documents, and information related to appointments, performance, and remuneration.

VOTING & DECISION MAKING

Decisions of the Committee shall be taken by majority vote of the members present and voting. In the event of a tie, the Chairperson may exercise a casting vote, where permitted under applicable law.

CONFLICT OF INTEREST

Members of the Committee shall disclose any actual or potential conflict of interest in matters placed before the Committee.

Any member having a conflict shall abstain from discussion and voting on such matter and the same shall be recorded in the minutes.

Where necessary, an alternate member or the Chairperson may oversee discussion on the relevant agenda item in place of the interested member.

REPORTING

The Committee shall report on its activities and summarize any recommendations at subsequent Board meeting.

This charter shall be displayed on the website of the Company.

MINUTES

The Company Secretary will maintain minutes of meetings of the Committee, which will be submitted to the Board in subsequent meeting, for noting. The minutes shall be circulated to all members of the Committee for their comments and approval within a reasonable time after the meeting and shall be placed before the Board of Directors at the subsequent Board Meeting for noting. The minutes shall record the deliberations, decisions taken, and any dissenting views expressed by the members.

The Company Secretary shall ensure that the minutes are properly maintained and preserved in accordance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

GOOD GOVERNANCE BY NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee plays a critical role in ensuring the effectiveness of the Board and senior management by overseeing a robust and transparent framework for the appointment, evaluation, and remuneration of directors and key executives, thereby supporting sound corporate governance and long-term value creation for the Company.

To ensure good governance in the Company, the Nomination and Remuneration Committee:

- I. Consists of experienced and highly qualified non-executive members, including an independent Chairperson.
- II. Is constituted in such a way that its members collectively possess the necessary skills, experience, expertise, and strategic insight relevant to the Company's business activities, as ensured by the Board.
- III. While formulating the remuneration policy, the committee shall consider the following:

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successful;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to directors, key managerial personnel and 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.

REVIEW OF COMMITTEE CHARTER

The adequacy of this charter shall be reviewed and re-assessed by the Committee, at least once in every three years and as and when required and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework or policy changes, from time to time.
