

NOMINATION & REMUNERATION POLICY

ORBIT EXPORTS LIMITED

(Amended on August 2, 2023)

I. Regulatory Framework

In compliance of Section 178 of the Companies Act, 2013 ('Act') read with the applicable Rules thereto ('Rules') and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Nomination and Remuneration Committee of the Board of Directors has formulated this Nomination and Remuneration Policy ('Policy').

II. Categories of Employees provided under this Policy:

- Directors (Executive and Non-Executive)
- Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
- Key Managerial Personnel (KMP), in relation to a company, means —
 - (i) Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary;
 - (iii) Whole-time director;
 - (iv) Chief Financial Officer; and
 - (v) such other officer as may be prescribed.
- Other Employees means individuals on the payroll of the Company.

III. Role of the Committee:

- To guide the Board on the appointment and removal of Directors, KMP and Senior Management.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board remuneration for the Directors, KMP and other employees.
- To decide whether to extend or continue the term of appointment of the Independent Director based on the report of performance evaluation.
- To provide the KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the employees.
- Ensuring Board diversity.

IV. Objectives

The objective of this Policy is to ensure that:

- a. All Directors and employees of the Company are recognized and rewarded for their performance in a fair and equitable manner.
- b. To ensure that remuneration paid to Directors and employees is reasonable and sufficient to attract, retain and motivate Directors and employees of the quality required to run the company successfully.
- c. Remuneration to Directors, KMP 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:

V. Membership of the Committee

- a. The Committee shall be comprised of at least three (3) Directors, all of whom shall be Non-executive Directors and at least half shall be Independent. The Chairman of the Company (whether executive or non-executive) may be appointed as a Member of the Committee.
- b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and Listing Regulations and such other applicable statutory requirement.
- c. Minimum Two (2) Members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance shall constitute a quorum for the Committee meeting.
- d. Membership of the Committee shall be disclosed in the Annual Report.
- e. The term of the Committee shall be continued unless terminated by the Board of Directors.

VI. Appointment and Removal of Director, KMP and Senior Management

A. Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment on the basis of criteria laid down from time to time.
- ii. A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to

decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- iii. The Committee should ensure that the appointment of Independent Directors is subject to compliance with the provisions of Section 149 of the Act, read with Schedule IV and Rules there under.
- iv. The Company shall not appoint or continue the employment of any person as a Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for appointing such person.

B. Term/ Tenure of Appointment

a) Managing Director/ Whole Time Director

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Joint Managing Director or Executive Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

- An Independent Director shall hold office for such term which shall not exceed a maximum of five consecutive years and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time

Director/Managing Director of a listed company or such prescribed period by the statutory authority from time to time.

C. Removal

Due to reasons for any disqualification mentioned in the Act or Rules made thereunder or under any other applicable Act, Rules and Listing Regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and Listing Regulations.

D. Retirement

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and Rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

E. Succession Plan

The Company recognizes succession plan as a critical tool to ensure effective performance, stability and accountability of the Company.

Objectives:

- i. To identify and develop future leaders to fill the vacancies arising in the Board;
- ii. To identify the needs of the Company and accordingly ensure the selection of a qualified and capable leader who has the necessary skills for the Company;
- iii. To ensure that the Company's operations are not interrupted while the Board of Directors assesses the leadership needs and recruit a permanent officer as per the requirements.

Procedure for Succession:

- i. The Nomination and Remuneration Committee shall at regular intervals review the list of Senior Management due for retirement/vacancies that may arise/need for restructuring as per the needs of the Company.
- ii. The Nomination and Remuneration Committee shall recommend to the Board regarding establishing a time frame and implement the recruitment and selection process from among the existing pool of talent or from outside, depending upon the requirement of the Company.

VII. Provisions regarding payment of Remuneration to the Directors, KMP and Senior Management

a) General:

- i. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and such other approval, wherever required;
- ii. The remuneration / perquisite/ commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Act, Rules and Listing Regulations;
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Managing Director/ Whole Time Director. The decision of the Committee as to increment shall be final.
- iv. Where any insurance is taken by the Company on behalf of its Directors, KMP and for Senior Management 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.

b) Remuneration to Managing Director/Executive Director/Whole-time Director ('Executive Directors'):

1. The remuneration to the Executive Directors shall be governed by the provisions of the Act, Listing Regulations or any other enactment for the time being in force. The Executive Directors shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus / commission and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.
2. If, in any financial year, the Company has no profits or inadequate profits, the Company shall pay remuneration to the Executive Directors in accordance with the provisions of Schedule V of the Act. If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without such approval, wherever required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

c) Remuneration to Non-Executive Directors (including Independent Directors)

1. Remuneration/Commission

The remuneration/commission, if any, shall be in accordance with the statutory provisions of the Act and the Rules made there under for the time being in force. On the recommendation of Committee, the Board may decide to pay remuneration to Non-Executive Directors as per the provisions of Schedule V to the Act including any amendment thereof as may be approved by the shareholders of the Company.

2. Sitting Fees

The Non-Executive Directors (including Independent Directors) of the Company shall be paid sitting fees for attending meetings of Board or Committee thereof, either physically or through video conferencing. The amount of such fees per meeting of the Board or Committee, shall not exceed the maximum amount as provided in the Act.

3. Stock Options

Pursuant to the provisions of the Listing Regulations, an Independent Director shall not be entitled to any stock option of the Company.

4. Insurance

Where any insurance is taken by the Company on behalf of its Non-Executive Directors (including independent directors) for indemnifying any of them against any liability in respect of a deed for which they may be held guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such Non-Executive Directors (including independent directors).

d) Remuneration to KMP and Senior Management Personnel

The KMP and Senior Management of the Company shall be paid monthly remuneration as per their appointment terms, increment letters and Company's HR policies. The Committee may direct restructure of their salary in such manner as it may deem fit and proper. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The KMP and Senior Management Personnel may also be issued Employees Stock Options to reward them for their performance and to motivate and retain them.

VIII. Criteria for Evaluation of Directors

The performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 of the Act also mandates the Committee to carry out evaluation of every director's performance. The Committee shall carry out evaluation of performance of every director at least once in a year as per the following evaluation criteria:

Non-Executive Directors	Executive Directors	Senior Management/ KMP
Attendance in the Board and/or Committee meetings.	Efforts in promoting and expanding the business.	Achievement of Goals / KRA's assigned to him/her.
Positive attitude and promptness.	Implementation of policies and procedures as set out by the Board.	Demonstrated understanding of his/her area of operation
Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings	Contribution towards growth of the Company including actual vis-à-vis budgeted performance.	Person of integrity and credibility
Contribution in improving financial and other functions of the Company.	Ensuring smooth business operations across all the units of Company.	Excellent communication skills
Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest	Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company.	Competence and Leadership abilities
Contribution in improving financial and other functions of the Company.	Clear sense of values and integrity.	Pro-activeness and seriousness in achieving the desired results
Objective evaluation of Board's performance, rendering independent, unbiased opinion.	Controlling of various functions across the Company and ensuring their proper functioning.	Decision making abilities.
Understanding of laws having impact on Company's business and Textile industry as a whole.	Efficiently managing the human resources of the Company.	

IX. Board Diversity

1. The Company recognizes the importance of diversity within the Board and the Committee is committed to ensure that a transparent board nomination process is in place based on merit which encourages diversity of experience, background, knowledge, perspective, age and gender.
2. The Committee shall ensure that the Company has an appropriate combination of functional and industry expertise.
3. The Committee shall review the Board diversity at regular intervals and recommend changes to the Board as and when required.

X. Frequency of Meetings

The meeting of the Committee shall be held at least once in a year.

XI. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee Meeting will be tabled at the subsequent Board and Committee meeting.

XII. Voting

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and entitled to vote and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XIII. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
