NDR AUTO COMPONENTS LIMITED

POLICY ON NOMINATION,

REMUNERATION AND EVALUATION

I. INTRODUCTION

This Nomination, Remuneration & Evaluation Policy (hereinafter referred as Policy) is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

II. OBJECTIVE

To apprise and assure Board Members through Nomination and Remuneration Committee (hereinafter referred as Committee) regarding availability of framework for conducting company's business efficiently by ensuring availability of requisite talent, reasonable and sufficient remuneration for retaining the talent, transparent performance evaluation and reward system to create high performance culture.

III. DEFINITIONS

'The Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'The Committee' means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing regulations.

'The Company' means NDR Auto Components Limited.

'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013 and rules, read with the listing regulations.

'Key Managerial Personnel (KMP)' means:

i. the Chief Executive Officer or the Managing Director or Manager

ii. the Company Secretary

iii. the Whole-Time Director

iv. the Chief Financial Officer

v. 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

vi. such other officer as may be prescribed

"Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and shall also comprise all members of management one level below the "chief executive officer/managing director/whole-time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

IV. APPLICABILITY:

All Directors, Key Management Personnel and Senior Management and other employees of the Company.

V. PURPOSE OF THE POLICY

- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors
- Recommend to the board, all remuneration (in whatever form) payable to senior management

- Ensure 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 benchmarks.
- Remuneration 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.

The objective of this Policy is to guide and recommend the Board of Directors and committee of the Company on:

a. Board Diversity;

b. To develop succession plan for Directors, Key Managerial Personnel and employees in Senior Management and review the same; and

c. Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board

d. Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;

TERM / TENURE:

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013 and Listing Regulations.
- The tenure for KMPs (excluding MD/Executive Director/whole-time Director), Senior Management Personnel and other employees will be governed by Company's HR Policy.
- The Non-Executive Directors shall not draw any remuneration from the company except the sitting fees which shall be paid at a rate of Rs. 60,000/- or such other amount as may be fixed from time to time, for each meeting of the Board/Committee of the Board attended by them during the financial year.

- The Company shall appoint a qualified company secretary as the compliance officer. Provided that the Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel.

EVALUATION:

- The performance evaluation of all Directors of the Company including Independent Directors shall be done by the Board, excluding the Director being evaluated based on the criteria determined by the Committee.
- The performance evaluation of Non-Independent Directors, Chairman of the Company and the Board as whole shall be done by the Independent Directors in their separate meeting.
- The Managing Director shall perform the evaluation of performance of KMPs (except Managing Director) and Senior Management Personnel at regular intervals, mostly on the yearly basis based on the Key Performance Indictors.
- The independent external agency may also be hired / outsourced by the Board of Directors of the Company for conducting the performance evaluation of all Directors of the Company as per criteria laid on above points read with provisions of the Act and Listing Regulations.

REMOVAL:

- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules or regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a director, subject to the provisions and compliance of the said Act, rules or regulations.
- For KMPs (excluding MD/Executive Director/whole-time Director), Senior Management Personnel or other employees, the removal will be governed by Company's HR Policy and applicable law(s) for the time being in force, if any.

RETIREMENT:

- Directors, KMPs or Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013, Listing Regulations and the prevailing policy of the Company.
- The Managing Director may retain any KMP, Senior Management Personnel or any other employee in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE TIME DIRECTOR, KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

- The remuneration, including any revision thereof, paid to Managing Director, Whole time Director, and non-executive director and Independent director, KMPs and Senior Management personnel shall be governed by the provisions of the Companies Act, 2013 and rules made there under and other applicable laws for the time being in force.
- The remuneration, including any revision thereof paid to rest of the employees is determined by the HR, based on the appraisals carried out by the HODs of the respective departments.

VI. SUCCESSION PLAN

The Company recognizes the need of a formal, proactive process which can assist in building a leadership pipeline/talent pool to ensure continuity of leadership for all critical positions. Succession planning involves assessment of challenges and opportunities facing the company, and an evaluation of skills and expertise that would be required in future.

The nomination and remuneration committee will work with the Board to develop plans and processes for orderly succession to the board, KMPs and senior management. The Committee shall endeavour to develop a diverse pool of candidates who may be considered to fill the gap in Board positions or senior management in

case of any eventuality. The committee would ensure that the Company is prepared for changes in senior management, either planned or unplanned. Succession Planning Process would cover identification of internal candidates, development plans for internal candidates, and identification of external candidates. The Committee would also assist in formulating an emergency succession contingency plan for unforeseen events like death, disability etc. The Board will periodically monitor the review and monitor the succession planning process.

VII. REVIEW AND AMENDMENT OF THE POLICY

- This policy shall be reviewed by the nomination and remuneration committee as and when changes needed to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board. Board of Directors on its own and/or as per the recommendations of Committee can amend the policy, as and when deemed fit.
- Any changes in Performance Evaluation, Remuneration, Attracting, Retaining and Nurturing Talent Policy shall be brought to notice of Committee as and when required.

If case of any inconsistency between NRC Policy and the Indian regulations, the requirements of the Indian regulations shall prevail.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities including SEBI, 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.

Date of last amendment	March 24, 2025