

VELJAN DENISON LIMITED

NOMINATION AND REMUNERATION POLICY (revised and adopted on 11.02.2026)

1. BACKGROUND AND APPLICABILITY

Pursuant to the provisions of **Section 178 of the Companies Act, 2013**, read with the applicable rules made thereunder, and **Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** (“SEBI LODR”), the Board of Directors of **Veljan Denison Limited** (“the Company”) has constituted the **Nomination and Remuneration Committee** (“NRC / Committee”).

This **Nomination and Remuneration Policy** (“Policy”) has been formulated by the Committee and approved by the Board to ensure:

- transparency in appointment and remuneration practices;
- a structured and merit-based process for nomination of Directors, KMP and Senior Management; and
- alignment of remuneration with performance and long-term objectives of the Company.

This Policy applies to:

- Directors (Executive, Non-Executive and Independent);
- Key Managerial Personnel (“KMP”); and
- Senior Management of the Company.

2. DEFINITIONS

Unless the context otherwise requires, words and expressions used in this Policy shall have the meanings assigned to them under:

- the **Companies Act, 2013**;
- **SEBI LODR Regulations, 2015**; and
- other applicable laws, rules and regulations.

Key terms include:

- **“Board”** – Board of Directors of the Company
- **“Committee / NRC”** – Nomination and Remuneration Committee
- **“Independent Director”** – as defined under Section 149 of the Act and SEBI LODR
- **“Key Managerial Personnel”** – as defined under Section 2(51) of the Act
- **“Senior Management”** – as defined under Regulation 16(1)(d) of SEBI LODR

3. CONSTITUTION OF THE COMMITTEE

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- The NRC shall comprise **at least three Non-Executive Directors**, with a **majority being Independent Directors**.
- The **Chairperson** of the Committee shall be an **Independent Director**.
- Quorum shall be **two members or one-third of members**, whichever is higher, including at least **one Independent Director**.

4. ROLE AND POWERS OF THE COMMITTEE

(As per Regulation 19 & Part D of Schedule II of SEBI LODR)

The Committee shall, inter alia:

4.1 Nomination Functions

- Identify and recommend persons for appointment / re-appointment as Directors, KMP and Senior Management.
- Determine criteria for qualifications, positive attributes, independence and diversity of Directors.
- Formulate and review **Board diversity policy**.
- Devise and review **succession planning** for Board, KMP and Senior Management.
- Recommend appointment, removal or continuation of Directors and KMP.

4.2 Remuneration Functions

- Recommend remuneration policy for Directors, KMP and Senior Management.
- Ensure remuneration is **reasonable, competitive and performance-linked**.
- Balance fixed and incentive pay reflecting short-term and long-term performance objectives.
- Ensure remuneration practices support ethical conduct and risk management.

4.3 Evaluation Functions

- Lay down criteria for **performance evaluation** of:
 - the Board,
 - Board Committees, and
 - Individual Directors.
- Carry out annual performance evaluation and place report before the Board.

5. POLICY FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

5.1 Criteria for Appointment

- Integrity, ethical conduct and professional competence
- Relevant qualification, expertise and industry experience
- Compliance with statutory eligibility requirements
- For Independent Directors – independence as per Act and SEBI LODR

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5.2 Tenure

- **Executive Directors / Managing Director / Whole-time Director:**
Maximum tenure of **five (5) years at a time**, eligible for re-appointment.
- **Independent Directors:**
Up to **two consecutive terms of five (5) years each**, subject to shareholder approval.

6. REMUNERATION POLICY

6.1 Guiding Principles

- Remuneration shall be **fair, reasonable and sufficient** to attract and retain talent.
- Relationship between remuneration and performance shall be **clear and transparent**.
- Remuneration shall align with:
 - Company performance,
 - Individual performance, and
 - Long-term shareholder value.

6.2 Remuneration to Executive Directors / KMP

- Combination of **fixed pay, performance-linked incentives, commission** and **perquisites**.
- Subject to limits prescribed under **Sections 197 & 198** and **Schedule V** of the Companies Act.
- Approved by NRC → Board → Shareholders / Central Government, wherever applicable.

6.3 Remuneration to Non-Executive / Independent Directors

- **Sitting fees** for Board / Committee meetings as per statutory limits.
- **Commission**, if approved by shareholders, within limits prescribed under the Act.
- Independent Directors shall **not be entitled to stock options**.

7. PERFORMANCE EVALUATION

- Annual evaluation of:
 - Board as a whole,
 - Board Committees, and
 - Individual Directors.
- Criteria include:
 - attendance and participation,
 - strategic guidance,
 - governance oversight,
 - contribution to decision-making.
- Evaluation results shall be reviewed by NRC and placed before the Board.

9. FAMILIARIZATION PROGRAMME

The Company shall conduct **familiarization programmes for Independent Directors** to apprise them of:

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- business model and industry;
- roles, rights and responsibilities;
- governance and risk framework.

10. DISCLOSURE

This Policy shall be:

- placed on the **Company's website**; and
- disclosed in the **Annual Report** as required under SEBI LODR.

11. REVIEW AND AMENDMENT

The Committee shall review this Policy periodically and recommend changes to the Board to ensure compliance with applicable laws and best governance practices.
