

**FABTECH TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS FABTECH TECHNOLOGIES PRIVATE LIMITED)**

NOMINATION AND REMUNERATION POLICY

1. Introduction:

The Nomination and Remuneration Policy (“**Policy**”) of Fabtech Technologies Limited (formerly known as Fabtech Technologies Private Limited (“**Company**”) has been formulated pursuant to Section 178 of the Companies Act, 2013 read with Regulation 19 read along with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), as amended from time to time.

2. Objective and Purpose:

The objectives and purposes of the Policy are:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company (“**Director**”);
- b. To recommend framework relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company;
- c. To set out the criteria for evaluation of performance of Directors and Key Managerial Personnel;
- d. To provide for rewards linked directly to the effort, performance, dedication and achievement of Company’s targets by the employees.
- e. The Remuneration Policy shall be effective from 30th July, 2024

3. Definitions:

- a. “Act” means the Companies Act, 2013 as amended from time to time
- b. “Board of Directors” or ‘Board’ means Board of Directors of the Company
- c. “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d. “Independent Director” means a Director referred to in Section 149(6) of the Act and rules made thereunder.“
- e. “**Key Managerial Personnel**” shall mean the Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 and Regulation 2(1)(o) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall mean the Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary and such other person as designated as KMP by the Board of Directors.
- f. “**Listing Regulations**” shall mean the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the company.
- g. “**Senior Management Personnel**” shall mean officers/personnel of the Company who are members of its core management team excluding board of

directors and KMPs and shall normally comprise all members of management one level below the chief executive officer/managing director/whole time director/manager and shall specifically include the functional heads, by whatever name. The Board may further classify such persons as senior management for the purpose of this policy from time to time as deemed fit.

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 Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the “Nomination and Remuneration Committee” of the Company. This is in line with the requirements under the Act. This Policy is an integral part for the functioning of the Nomination and Remuneration Committee.

The Board has authority to reconstitute this Committee from time to time.

5. General:

This Policy is divided in to three parts: -

Part – A: covers the matters to be dealt by the Committee;

Part – B: covers the appointment and removal of Directors, KMP and Senior Management; and

Part – C: covers remuneration for Directors, KMP and Senior Management

Part- A

Matters to be dealt by the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee: -

(a) Size and composition of the Board:

The Committee shall periodically review the size and composition of the Board to ensure an appropriate balance of executive and independent Directors. This review aims to maintain the Board's independence, clearly separate governance and management functions, and ensure that the Board is structured to make well-informed decisions with diverse perspectives and skills, all in the best interests of the Company.

(b) Directors:

Establish criteria for evaluating the qualifications, positive attributes, and independence of Directors. Recommend candidates to the Board for appointment when needed, considering their qualifications, integrity, expertise, and experience relevant to the position.

(c) Evaluation of performance:

- (i) Make recommendations to the Board on appropriate performance criteria for the Directors.
- (ii) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third party facilitator in doing so.
- (iii) Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their responsibilities and duties.

(d) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on the following matters:

- a. Determine remuneration of executive Directors, if any.
- b. Determine the remuneration for non-executive Directors and the Chairperson (if non-executive), including any sitting fees for attending Board committee meetings.
- c. Determine the remuneration for KMPs and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any.

Part- B

Policy for appointment and removal of Directors, KMP and Senior Management

(a) Appointment criteria and qualifications:

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee at its discretion can decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess immaculate reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills with the other Board members.
4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

(b) Term/Tenure:

1. Managing Director / Whole Time Director:

The appointment or re-appointment of Managing Director, Whole Time Director, or Executive Director shall be in accordance with the provisions of the Act, and the rules made thereunder and SEBI Listing Regulations. The Managing Director, Whole Time Director or Executive Director shall meet the criteria laid down under the Act and Listing Regulations and one term shall not exceed 5 years.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company 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, but such Independent Director shall be qualified for appointment after expiry of three years from ceasing to be 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 of a listed company or such other number as may be prescribed under the Act.

(c) Removal:

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 regulations and the Policy of the Company.

(d) Retirement:

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

(e) Continuation beyond 75 years of age:

Where the Committee recommends the appointment or re-appointment of any Non-Executive Director beyond 75 years of age, it shall recommend such appointment or re-appointment to the Board and Shareholders the same, pursuant to assessment of the Director in line with this Policy and the succession policy of the Company.

Part- C

Policy relating to the remuneration of Directors, KMP and Senior Management

(a) General:

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration/commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director / Whole-time Director, if any.
4. Where any insurance is taken by the Company on behalf of its Directors, KMP and 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(b) Minimum remuneration to Whole-time Directors and Managing Directors, if any:

If, in any financial year, where the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors and Managing Directors, if any in accordance with the provisions of Schedule V of the Act.

(c) Remuneration to Non-Executive/ Independent Directors:

The Non- Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Act. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

All remuneration, fees, commission (except sitting fees) payable to Non-Executive Directors shall be subject to members' approval.

The Independent Directors shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

(d) Remuneration to KMP and Senior Management:

The remuneration for KMP and Senior Management has been designed around three primary pay components: Base / Fixed Pay, Performance Bonus and Stock Incentives. These three components together shall constitute the “Total Rewards” of the KMP and Senior Management.

1. Base / Fixed pay: The Base / Fixed pay shall include monthly remuneration, employer’s contribution to provident fund, contribution to pension fund, pension schemes, etc. as decided from to time.

2. Performance Bonus: The Performance Bonus shall be decided based on the balance between performance of the Company and performance of the KMP and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

3. Stock Incentives: Stock or Equity based incentives can be either time based, or performance based equity grants as may be approved by the Board.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management remuneration is reflective of market pay, consisting of a mix of base / fixed pay, performance bonus and stock incentives.

The emphasis on stock incentives ensures alignment with shareholders’ interests, through a continued focus on the Company’s sustainable, long term performance.

(e) Remuneration to other employees:

The compensation for other employees would be as revised through annual compensation review process from time to time.

6. Policy Review:

(a) This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of SEBI Listing Regulations.

(b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

(c) This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

7. Dissemination of the Policy:

The approved Policy shall be uploaded on the Company's website:
www.fabtechnologies.com