ORIVA CONSUMER PRODUCTS LIMITED

NOMINATION AND REMUNERATION POLICY

(Pursuant to Section 178 of the Companies Act, 2013)

Oriva Consumer Products Limited

CIN: U10790MH2024PLC437240

Regd. Off: B-001 and B-002 Floor-Grd, A2 Antop Hill Warehousing, Antop Hill, Mumbai, Mumbai, Maharashtra - 400037.

Website: www.orivacpl.com

Email ID: rivainternational49@gmail.com

Approved by Board on February 21, 2025

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NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

The Nomination and Remuneration Committee has been constituted by the Board as a matter of good corporate governance. The Committee shall perform the functions assigned to it by the Board and this Policy, subject to applicable law.

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

This Policy is intended to serve as a governance framework and shall not override any provision of applicable law or the Articles of Association of the Company. In the event of any inconsistency, applicable law and the Articles of Association shall prevail.

OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their terms of appointment and remuneration.
- To frame remuneration policy based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies and in the industry.
- Specify the manner in which evaluation of performance of Board, its Committee and every Director, will be carried out.
- To provide them with 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.

DEFINITIONS

- **Board** means Board of Directors of the Company.
- **Directors** means Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means **Oriva Consumer Products** Limited (hereinafter referred to as "Oriva").
- **Independent Director** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel** (KMP) means-

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(i) Managing Director and /or Chief Executive Officer and/or Manager
(ii) Whole-time Director;
(iii) Chief Financial Officer;
(iv) Company Secretary;
(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;
(vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

- Senior Management 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.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein shall have the meanings assigned to them under the Companies Act, 2013 and other applicable laws, as amended from time to time.

APPLICABILITY

The Policy is applicable to
- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

This Policy is divided in three parts as follows:

PART - A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Specify the manner in which evaluation of performance of Board, its Committee and every Director, will be carried out.
- Remuneration policy for Director, KMP and Senior Management Personnel.

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PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. 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.
2. A person should possess adequate qualification, 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 position concerned.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that a person of the age of seventy years may be appointed or the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders of the Company by passing a special resolution, based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years, in accordance with the proviso to Section 196(3)(a) of the Companies Act, 2013.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager:-

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

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 for one more term of five consecutive years 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 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.

- **Evaluation:**

The Committee will decide on the manner in which evaluation of performance of Board, its Committee and every Director will be carried out.

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• **Removal:**
Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

• **Retirement:**
The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

• **Board Diversity:**
The Board of the Company may consciously be drawn keeping in mind Board diversity.

PART - C

POLICY RELATING TO THE REMUNERATION FOR THE DIRECTOR / KMP AND SENIOR MANAGEMENT PERSONNEL

• **General:**

1. The remuneration/compensation/commission etc. to the Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Director shall be in accordance with the percentage/slabs/conditions laid down in the provisions of the Companies Act, 2013 and the Rules made thereunder and subject to the provisions of the Articles of Association of the Company.
3. 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.
4. Where any insurance is taken by the Company on behalf of its Director, KMPs or Senior Management to indemnify 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 proved guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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- **Remuneration to Managing Whole-time/Executive Director, KMP and Senior Management Personnel:**

1. Fixed pay:

The Managing Director, Whole-time Director, Executive Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale 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 approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole-time Director, Executive Director or Manager in accordance with the provisions of Schedule V of the Companies Act, 2013.

3. Provisions for excess remuneration:

If any Managing Director, Whole-time Director, Executive Director or Manager draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, or without the approval required under the Companies Act, 2013, he / she shall refund such sums to the Company within two years, or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by way of a special resolution passed within two years from the date on which the sum becomes refundable, in accordance with Section 197(10) of the Companies Act, 2013).

- **Remuneration to Non- Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the Rules made thereunder.

2. Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee, or such other amount as may be prescribed under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time; provided further that the sitting fees payable to Independent Directors and Women Directors shall not be less than the sitting fees payable to other Directors.

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3. Commission:

Commission may be paid within the monetary limit approved by the shareholders, subject to a limit not exceeding 1% of the net profits of the Company (computed as per the applicable provisions of the Companies Act, 2013) where the Company has a Managing Director, Whole-time Director or Manager, or not exceeding 3% of such net profits where the Company does not have a Managing Director, Whole-time Director or Manager.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP

The Committee shall consist of a minimum of 3 Non-executive Directors, out of which not less than one-half shall be Independent Directors, in accordance with Section 178(1) of the Companies Act, 2013. Further, the Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Nomination and Remuneration Committee but shall not chair the Committee. Minimum two (2) members or such higher number as may be decided by the Board from time to time, shall constitute a quorum for the Committee meeting. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

The Chairperson of the Committee shall be appointed by the Board from amongst the members of the Committee. In case the Board has not appointed the Chairperson of the Committee, the Committee Members elect one of themselves as the Chairperson of the Committee. In the absence of the Chairperson from the meeting, the Members present may elect one amongst themselves to chair the meeting. The Chairperson of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company.

FREQUENCY OF MEETINGS

The meetings of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A Member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

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SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:
1. Ensuring that there is an appropriate induction in place for new Directors, KMP and Senior Management Personnel and reviewing its effectiveness;
2. Ensuring that upon appointment in the Company, the Directors, KMP and Senior Management Personnel receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Determining the appropriate size, diversity and composition of the Board;
4. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board and KMP and Senior Management Personnel;
5. Developing a succession plan for the Board, KMP and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board Members, KMP and Senior Management in the context of the Company's performance from business and compliance perspective or decide manner of evaluation;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director, KMP and Senior Management Personnel at any time including the suspension or termination of service of a Director /KMP/ Senior Management Personnel as an employee of the Company subject to the provision of the law and their service contract;
8. Delegating any of its powers to one or more of its Members or the Secretary of the Committee;
9. Recommend any necessary changes to the Board; and
10. Considering any other matters, as may be requested by the Board.

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:
1. To consider and determine the Remuneration, based on the performance of the Director/ KMP/Senior Management Personnel and the Company and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate Members of the Board and such other factors as the Committee shall deem appropriate.
2. To approve the remuneration of the Director, KMP and Senior Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
3. To consider any other matters as may be requested by the Board.

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4. Professional indemnity and liability insurance for Directors and senior management.

DISCLOSURE

This Policy shall be placed on the website of the Company, if any, and the salient features of this Policy, together with any changes therein, along with the web-address, if any, at which the Policy is available, shall be disclosed in the Board's Report of the Company, in accordance with the proviso to Section 178(4) of the Companies Act, 2013.

AMENDMENT AND REVIEW OF THE POLICY

This Policy shall be reviewed by the Committee and the Board periodically, or as and when considered necessary. If any subsequent amendment is made to the Companies Act, 2013, or other applicable law relevant to this Policy, such amendment shall automatically apply to, and be read as part of, this Policy, notwithstanding anything to the contrary contained herein, and the Board shall have the power to review, amend, modify or supersede this Policy, in whole or in part, at any time. This Policy shall come into force with effect from the date of its approval by the Board.

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