

PH TRADING LIMITED

NOMINATION AND REMUNERATION POLICY

PH TRADING LIMITED

CIN: L51109WB1982PLC035011

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1. Introduction

PH Trading Limited considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management and other employees has been formulated in terms of the provisions of the Companies Act, 2013 any rules made there under in order to pay equitable remuneration to the Directors, KMPs, Senior Management and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

2. Key Compliance Requirements and Legal Framework:

Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) requires formulation of The Nomination & Remuneration Policy (“Policy”). Accordingly, the policy of PH Trading Limited (“Company”) is formulated under the above requirements.

3. Objective and purpose of the policy

The objectives and purpose of this policy are:

3.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Executive Directors (ED), Chief Executive Officer (“CEO”), evaluating the ED’s/CEO’s performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the ED’s/CEO’s compensation level based on this evaluation; and making recommendations to the board with respect to their compensation, and incentive-compensation and equity based plans that are subject to board approval;

3.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

3.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;

3.4 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company’s goals.

3.5 To recommend to the board, all remuneration, in whatever form, payable to senior management.

Note: While formulating the policy following as in compliance with the requirements of the Companies Act 2013 has been ensured:

(a) 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;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, key managerial personnel 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:

4. Constitution of the Nomination and Remuneration Committee

The Board has constituted the “Nomination and Remuneration Committee” which is in line with the requirements under the Act, 2013 and SEBI (LODR) Regulations, 2015.

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

5. Key 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, in accordance with the Act and rules made thereunder.

‘Company’ means **PH TRADING LIMITED**

‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 read with rules made there under and SEBI (LODR) Regulations, 2015.

‘Key Managerial Personnel (KMP)’ means-

- i) the Managing Director or the Chief Executive Officer or the Manager and in their absence, a Whole-time Director;
- ii) the Chief Financial Officer; and
- iii) The Company Secretary.

Senior Management shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall 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 company secretary and chief financial officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and rules made there under as may be amended from time to time shall have the meaning respectively assigned to them therein.

General

This Policy is divided in three parts: -

Part - A covers the matters to be dealt with and recommended by the Committee to the Board;

Part - B covers the appointment and nomination; and

Part - C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

Part - A -Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee: -

(a) Composition of the Board:

Periodically reviewing the composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non- Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Remuneration framework and policies:

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

(a) the remuneration of the Managing Director, Whole-time Directors, and KMPs

(b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;

(c) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to

(i) attract and motivate talent to pursue the Company's long-term growth;

(ii) demonstrate a clear relationship between executive compensation and performance; and

(iii) Be reasonable and fair, having regard to best governance practices and legal requirements.

(d) the Company's equity-based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;

(e) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and

(f) the Company's remuneration reporting in the financial statements and remuneration report.

PART-B-Policy for appointment and removal of Director, KMPs 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 senior management level and recommend to the Board for his / her appointment.
2. A person to be appointed as Director, KMP or senior management level 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 concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director/Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee 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 extension of appointment beyond seventy years.
5. 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.

Term / Tenure

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO 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.

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 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. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term office year only.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under 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 or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Whole-time Directors, 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 Whole-time Directors, KMP and senior management personnel in the same position /remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART - C -Policy relating to the remuneration for Directors, KMPs and other employees

General

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
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.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees 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.

Remuneration to KMPs and other employees

The policy on remuneration for KMPs and other employees is as below: -

1. Fixed pay

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

a) Annual remuneration

Annual remuneration refers to the annual compensation payable to the employees of the Company. This may comprise two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group, market conditions and practices applicable for the employees in India.

Minimum remuneration to Managing Director/Whole Time Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-Executive / Independent Directors

1. Remuneration:

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.

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 a) 1% of the net profits of the Company, if there is a managing director or whole-time director or manager b) 3% of the Net profits in any other case computed as per the applicable provisions of the Companies Act, 2013 and any rules thereunder.

Each Director of the Company shall be entitled to receive out of funds of the Company for his services in attending Board Meetings.

2. Stock Options

The Independent Directors shall not be entitled to any stock options of Company.

Policy Review:

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act, then the provisions of the Act or would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

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 Act or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

for PH Trading Limited

Sd/-

Naveen Kumar Vanama

Managing Director

DIN: 09243947

Place: Kolkata

Date: September 5, 2024