



RATNADEEP RETAIL LIMITED

NOMINATION & REMUNERATION POLICY

Name	Nomination & Remuneration Policy
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Review Frequency	As and when required pursuant to changes in Applicable Laws
Version	Version 1.0



NOMINATION & REMUNERATION POLICY

1. PREAMBLE

Ratnadeep Retail Limited (the “**Company**”) has formulated this Nomination and Remuneration Policy (“**Policy**”) to provide a framework for remuneration of members of the board of directors (the “**Board**”) of the Company, key managerial personnel, members of senior management and other employees of the Company.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “**Companies Act**”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers/competitive market to ensure that pay structures are appropriately aligned.

This Policy shall be implemented in conjunction with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, wherever applicable, and any other applicable laws, rules and regulations, as amended from time to time. In case of any inconsistency between this Policy and the applicable laws, the applicable laws shall prevail.

2. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The NRC shall, inter alia:

- Formulate criteria for determining qualifications, positive attributes and independence of directors
- Recommend to the Board a policy relating to remuneration of directors, key managerial personnel and senior management personnel
- Formulate criteria for evaluation of the performance of independent directors and the Board;
- Devise a policy on diversity of the Board
- Identify persons qualified to become directors and who may be appointed in senior management
- Recommend appointment and removal of directors, KMPs and senior management personnel
- Administer and supervise Employee Stock Option Schemes, where applicable

- Carry out such functions as prescribed under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations
- Recommend to the Board succession planning for Directors, Key Managerial Personnel and Senior Management Personnel

2.1. Criteria for Appointment of Directors and Senior Management"

The NRC shall consider the following while recommending an appointment

- Educational and professional qualifications
- Industry experience and expertise
- Integrity, reputation and ethical standards
- Diversity in skills, gender, age and experience;
- Independence criteria prescribed under the Companies Act and SEBI Listing Regulations;
- Ability to devote sufficient time to the affairs of the Company.
- Absence of any conflict of interest and commitment to the highest standards of integrity, ethical conduct and corporate governance.

2.2. Criteria for Independence of Directors

The NRC shall assess the independence of the Independent Directors in accordance with the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and ensure continued compliance during their tenure. The NRC shall also review the declarations of independence received from Independent Directors on an annual basis and recommend to the Board whether such Independent Directors continue to satisfy the prescribed criteria of independence as per applicable laws.

3. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

- 3.1.** Non-Executive and Independent Directors (“NEDs”) will be paid remuneration by way of sitting fees and/or commission together with reimbursement of expenses incurred in connection with attending Board, Committee and General Meetings or otherwise in relation to the business of the Company, as may be applicable and in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force, subject to approval of Shareholders, wherever required. The remuneration/commission/ compensation to the NEDs will be determined by the Nomination and Remuneration Committee of the Board (“NRC”) and recommended to the Board for its approval.
- 3.2.** As approved by the shareholders at the shareholders meeting held on 30.05.2026 the commission will be paid to the NEDs at a rate not exceeding (a) 1% per annum of the net profits of the Company (where the Company has a managing director, whole-time director or manager) or (b) 3% per annum of the net profits of the Company (in any other case); in each

case computed in accordance with Section 198 of the Companies Act. The aforesaid percentages are an aggregate ceiling on the total commission payable to all NEDs of the Company collectively in any financial year. The commission to be paid will be restricted to a fixed sum within the above limit annually, based on their tenor in office during the financial year.

- 3.3.** Where the annual remuneration (including commission and sitting fees) payable to a single Non-Executive Director exceeds fifty per cent (50%) of the total annual remuneration payable to all Non-Executive Directors of the Company in any financial year, prior approval of the shareholders by way of a special resolution shall be obtained, with full details of such remuneration disclosed to the shareholders, in accordance with Regulation 17(6)(ca) of the SEBI Listing Regulations.
- 3.4.** The payment of the commission to the NEDs will be placed before the Board every year for its consideration and approval. The sitting fee payable to the NEDs for attending the Board and committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.
- 3.5.** Keeping with evolving trends in industries and considering the time and efforts spent by specific NEDs, the practice of paying differential commission will be considered by the Board.
- 3.6.** NEDs and Independent Directors shall not be eligible to participate in any Employee Stock Option Scheme of the Company and shall receive only such remuneration as permitted under the Companies Act, 2013 and SEBI Listing Regulations.
- 3.7.** NEDs are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending meetings of the Company.
- 3.8.** The remuneration payable by the Company to NEDs shall be subject to the conditions specified in the Companies Act and the SEBI Listing Regulations, including in terms of monetary limits, approval requirements and disclosure requirements.

4. REMUNERATION OF EXECUTIVE DIRECTOR

- 4.1** The compensation paid to the executive directors (including the managing director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NRC, will be within the overall limits specified under the Companies Act.
- 4.2** The elements of compensation of the executive director will include the elements as described in paragraph 4 below.
- 4.3** The NRC will determine the annual variable pay compensation in the form of annual incentive and annual increment for the executive director based on the Company's and individual's performance as against the pre-agreed objectives for the year.

- 4.4 Executive Directors of the Company, other than Promoter Directors, shall be eligible to participate in the Company's Employee Stock Option Plan(s), as may be in force from time to time. Grants under the ESOP scheme shall be approved by the NRC and shall be governed by the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended.
- 4.5 In case of inadequacy of profit in any financial year, the remuneration payable to the executive director shall be further subject to the relevant provisions of the Companies Act.
- 4.6 Executive directors will not be paid sitting fees for any Board/committee meetings attended by them.
- 4.7 The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Companies Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

5. REMUNERATION TO KEY MANAGERIAL PERSONNEL/ SENIOR MANAGEMENT AND OTHER EMPLOYEES

For this Policy, Senior Management shall have the meaning assigned under Regulation 16(1)(d) of the SEBI Listing Regulations, as amended from time to time.

- 5.1. The Company's total compensation for key managerial personnel/ members of senior management as defined under the Companies Act and the SEBI Listing Regulations, as applicable, and other employees will consist of:
- fixed compensation;
 - variable compensation in the form of an annual incentive;
 - benefits; and
 - work related facilities and perquisites.
- 5.2. In addition, select senior executives will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by the NRC.
- 5.3. Fixed compensation will be determined based on size and scope of the job, typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, leave travel allowance and a cash allowance.
- 5.4. The annual incentive (variable pay) of executives shall be linked directly to the performance of the Company, the performance of the relevant business function or department, where applicable, and the individual performance of the employee against pre-determined goals and key performance indicators. The weightage assigned to each of these factors shall be determined by the Company from time to time.

5.5. Based on the grade, role and seniority of employees, benefits for employees may include:

- Medical, Hospitalization insurance
- Accident and life insurance
- Retirement benefits, including provident fund, gratuity and superannuation fund contributions, as applicable
- Such other benefits and perquisites as may be approved by the Company from time to time in accordance with applicable laws and Company policies.

5.6. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

5.7. A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employees.

- Overall compensation shall be subject to periodic reviews which take into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment. The overall remuneration framework shall encourage long-term value creation, prudent risk management, sustainable business growth and alignment with shareholders' interests.
- Employees may be eligible for ESOPs as per the ESOP scheme(s) approved by the shareholders and in force from time to time. The objective of the ESOP is to reward the eligible employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company.
- Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement, subject to applicable regulatory requirements.

6. COMMITTEE MEMBERS' INTEREST

6.1. The NRC shall formulate criteria and oversee the evaluation of the Board, Committees, Individual Directors, and Independent Directors in accordance with the Companies Act, 2013 and SEBI Listing Regulations.

6.2. The performance evaluation process shall be carried out in accordance with the Companies Act, 2013, the SEBI Listing Regulations and such guidance as may be issued by regulatory authorities from time to time

6.3. A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

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

7. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

7.1. This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.

7.2. This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.

7.3. The Company shall make such disclosures relating to this Policy as may be required under the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws, including disclosure in the Board's Report and hosting of the Policy on the Company's website, wherever applicable.

8. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be made available to Directors, Key Managerial Personnel and Senior Management Personnel. The Policy shall also be made available for inspection wherever required under applicable laws.

9. INTERPRETATION

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013, the SEBI Listing Regulations or other applicable laws, as amended from time to time.

10. REVIEW OF POLICY

The NRC shall review this Policy periodically and recommend such modifications to the Board as may be necessary to ensure continued compliance with applicable laws and evolving corporate governance practices.