

NEIL INDUSTRIES LIMITED

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Nomination and Remuneration Policy

(Approved by Board of Directors at its meeting held on August 11, 2025)

1. PREAMBLE

This **Nomination and Remuneration Policy** ("Policy") is framed in accordance with the provisions of **Section 178(3) of the Companies Act, 2013 (the "Act")** and **Regulation 19** read with **Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** ("SEBI LODR Regulations"), as amended from time to time.

The Policy has been recommended by the **Nomination and Remuneration Committee (NRC)** and approved by the Board of Directors of **Neil Industries Limited** ("the Company").

This Policy aims to ensure:

- Reasonableness and competitiveness of remuneration to attract, retain and motivate talented individuals.
- A performance-driven structure that appropriately balances short-term and long-term goals.
- Consistent adherence to corporate governance standards.

2. OBJECTIVES

The key objectives of this Policy are:

- To lay down the criteria for identifying and nominating persons for appointment as Directors, KMPs, and Senior Management.
- To determine the guiding principles for remuneration payable to Directors, KMPs, and other employees.
- To evaluate performance and ensure that remuneration practices are aligned with long term interests of the Company and shareholders.
- To uphold fit and proper criteria and avoid conflicts of interest in appointments or compensation.

3. REMUNERATION FRAMEWORK

3.1 Remuneration of Non-Executive and Independent Directors

- Non-Executive and Independent Directors may receive **sitting fees** for attending Board and Committee meetings, as determined by the Board from time to time, subject to limits prescribed under the Act.
- Independent Directors shall **not be entitled to stock options** or performance-linked incentives.

3.2 Remuneration of Executive Directors and KMPs

- Remuneration to Executive Directors, Key Managerial Personnel (KMPs), and the Senior Management Team shall be **recommended by the NRC and approved by the Board** and/or **shareholders**, as applicable under the Act and SEBI LODR Regulations.
- Remuneration will include **fixed pay, variable/incentive pay, and other perquisites**, appropriately structured to meet performance benchmarks and business requirements.

Key considerations:

- Remuneration must be **commensurate with performance**, responsibilities, and industry standards.
- **No Director or KMP shall be involved in deciding their own remuneration** or evaluation.
- Pay structures must **align with company policies** and uphold principles of fairness, transparency, and accountability.

3.3 Remuneration of Other Employees

- Compensation to other employees shall be determined by the **Executive Directors/Management**, based on internal HR policies and performance appraisals.
- Regular benchmarking against industry shall be undertaken to ensure competitiveness and employee satisfaction.

4. APPOINTMENT OF DIRECTORS, KMPs, AND SENIOR MANAGEMENT

4.1 Criteria for Appointment

A. For Directors (Executive, Non-Executive & Independent):

- Should possess **relevant qualifications**, skills, experience, and integrity.
- Must meet eligibility requirements as per the **Companies Act, 2013 and SEBI LODR Regulations**.
- Must not be disqualified under **Section 164** of the Act.
- Independent Directors must meet the **independence criteria** as per Section 149(6) of the Act and SEBI LODR Regulations.
- Must **exhibit high ethical standards**, leadership, and strategic thinking abilities.

B. For Senior Management / KMPs:

- Must have **appropriate educational qualifications, technical knowledge, and industry experience**.
- Must demonstrate integrity, strong work ethics, adaptability, and leadership.
- Background verification shall be carried out through reliable sources.
- Appointments shall adhere to internal policies of the Company.

4.2 Additional Criteria for Re-appointment

A. Executive Directors:

- Performance during the tenure, leadership impact, and overall company performance shall be assessed.
- Re-appointment shall be subject to regulatory compliance and Board evaluation.

B. Non-Executive / Independent Directors:

- Consideration will be based on attendance, participation in Board and Committee meetings, and contribution to governance and strategic inputs.
- Independent Directors must continue to satisfy independence criteria during their reappointment.

5. PERFORMANCE EVALUATION

- The NRC shall formulate and recommend criteria for evaluation of:
 - Board as a whole
 - Individual Directors
 - Chairperson
 - Committees of the Board

Evaluation shall consider attributes such as:

- Board dynamics, participation, knowledge, governance, leadership, and adherence to fiduciary duties.
- For Executive Directors: Achievement of key result areas, strategic goals, and leadership qualities.
- For Independent Directors: Degree of independence, contribution to discussions, and oversight responsibilities.

6. POLICY REVIEW AND AMENDMENTS

This Policy shall be reviewed periodically by the **Nomination and Remuneration Committee**, and any amendments shall be recommended to the Board for approval.

Any subsequent amendment in the **Companies Act, 2013 or SEBI LODR Regulations** or other applicable laws shall automatically be applicable to this Policy.

7. DISCLOSURE

This Policy shall be uploaded on the Company's website and disclosed in the Annual Report, as per the requirements of the SEBI LODR Regulations and the Companies Act, 2013.

Date: 11 August, 2025

Place: Kanpur