

RSB RETAIL INDIA LIMITED
(Formerly known as R S Brothers Retail
India Limited)

NOMINATION AND REMUNERATION POLICY

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1. Introduction:

The Nomination & Remuneration Policy (“**Policy**”) of RSB Retail India Limited (“**RSB**” or “**Company**”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) (as defined below) and Other Employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

2. Objective and Purpose:

The objectives and purpose of this Policy are:

- 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**”);
- To recommend policy relating to the remuneration of the Directors, KMP, SMP and Other Employees to the Board of Directors of the Company (“**Board**”); and
- This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their 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 executive Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMP and SMP compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

NOMINATION AND REMUNERATION POLICY

3. Definitions:

- a. **“Act”** means the Companies Act, 2013 and the allied rules.
- b. **“Board”** means Board of Directors of the Company.
- c. **“Directors”** means directors of the Company.
- d. **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and SEBI Listing Regulations.
- e. **“Company”** means RSB Retail India Limited.
- f. **“Independent Director”** means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the SEBI Listing Regulations.
- g. **“Nomination & Remuneration Committee”** means “Nomination & Remuneration Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the SEBI Listing Regulations.
- h. **“Other Employees”** means, all the employees other than Directors, KMPs and the SMP Personnel.
- i. **“Key Managerial Personnel”** means “Key Managerial Personnel” as defined under the Act and the rules made thereunder.
- j. **“Senior Management” Personnel** shall mean the same as defined under SEBI Listing Regulations.

NOMINATION AND REMUNERATION POLICY

- k. “SEBI Listing Regulations” shall mean SEBI (Listing Obligations and Disclosure Requirements 2015 and

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and SEBI Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. General:

This Policy is divided in four parts: -

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

Part – B covers the appointment and removal of Directors, KMP, SMP and Other Employees; and

Part – C covers remuneration for Directors, KMP, SMP and Other Employees.

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 with by the Committee: -

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company.

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and

NOMINATION AND REMUNERATION POLICY

experience for the position.

(c) Succession plans:

Establishing and reviewing Board, KMPs and SMPs succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and SMP.

(d) 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) In developing the methodology to be used for evaluation, on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an Independent Professional Consultant.
- (iv) 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 legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

(f) Remuneration framework and policies:

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

- a. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the chairperson (if non-executive), including any additional fees payable for membership of Board committees;

NOMINATION AND REMUNERATION POLICY

- c. the remuneration and remuneration policies for KMPs and SMPs, 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;
 - (iii) be reasonable and fair, having regard to best governance practices and legal requirements; and
 - (iv) balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals
- d. the Company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements.

PART – B

Policy for appointment and removal of Directors, KMPs, SMPs and Other Employees.

(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 SMP and recommend to the Board his/her appointment. The Committee has discretion to 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 SMP 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 impeccable 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 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 and shall not appoint Independent 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

NOMINATION AND REMUNERATION POLICY

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 as the case may be.

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.
6. The Other Employees shall be appointed and removed as per the policy and procedure of the Company.

(b) Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Act and rules made thereunder and Listing agreement as amended from time to time.

The Term/Tenure of the KMPs, SMPs and Other Employees shall be as per the Company's prevailing policy.

(c) Removal:

Due to reasons for any disqualification mentioned in the Act, 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, KMP or SMP subject to the provisions and compliance of the said act, rules and regulations.

The removal of Other Employees shall be as per the Company's prevailing policy.

(d) Retirement:

The Directors, KMPs, SMPs and Other Employees shall retire as per the applicable provisions of the Act and the prevailing policy of the Company, as may be applicable. The Board will have the discretion to retain the Directors, KMPs and SMPs in the same position /

NOMINATION AND REMUNERATION POLICY

remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy relating to the remuneration for Directors, KMP and SMP/other employees:

The level and composition of remuneration to be paid to the Managing Director, Whole Time Director(s), Non-Executive Director(s), KMPs, SMPs and Other Employees shall be reasonable and sufficient to attract, retain and motivate directors, KMPs, SMPs and Other Employees of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Provided that where any insurance is taken by the Company on behalf of its Directors, KMPs and SMPs 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.

(a) Managing Director/Whole-Time Director(s):

The Whole Time Director(s)/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and the remuneration and commission, if any, to be paid shall be in accordance with the provisions of the Act, SEBI Listing Regulations and the rules made thereunder.

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.

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

NOMINATION AND REMUNERATION POLICY

- i. **Remuneration/Commission:** The remuneration/commission 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 Act and the rules made there under.
- ii. **Sitting Fees:** The remuneration to the Non-executive Directors (including Independent Directors) are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof and approved by shareholders, subject to the limit not exceeding the amount computed as per the applicable provisions of the Act.
- iii. **Profit-linked Commission:** The profit-linked commission may be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act.
- iv. **Stock Incentive:** The Independent Directors shall not be entitled to any stock incentive of the Company.

(c) Remuneration to KMPs and SMPs:

The Remuneration to be paid to KMPs/SMPs shall be based on the experience, qualification, expertise of the related personnel as well as the prevailing market conditions and shall be decided by the Board on the recommendation of Nomination and Remuneration Committee and consonance with the limits, if any prescribed under the Act and rules made thereunder or any other applicable enactment for the time being in force.

(d) Remuneration to Other Employees:

The compensation for Other Employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chairman/Managing Director/Whole-Time Director, in consultation with the Chief Human Resource Officer of the Company.

5. Policy on Board diversity:

NOMINATION AND REMUNERATION POLICY

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, Human Resource management, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast one women director.

6. Changes amongst Directors, Key Managerial Personnel:

The Committee may recommend to the Board, changes in Board or Key Managerial Personnel subject to the provisions of the Companies Act 2013, SEBI Listing Regulations and applicable Company's policies i.e., Rules and Regulation of Service, Code of Business Conduct and Principles of legal compliance framed and adopted by the Company from time to time.

7. Policy review:

- (a) This Policy is framed based on the provisions of the Act and rules there under and the requirements of SEBI Listing Regulations with the Stock Exchanges.
- (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 Companies Act 2013 or SEBI Listing Regulations, then the provisions of the Companies Act 2013 or SEBI Listing 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.

NOMINATION AND REMUNERATION POLICY

8. Version History:

Version	Date of approval of Nomination & Remuneration Committee and Board of Directors
1.0	March 19, 2025