

**SUNDROP BRANDS LIMITED**  
*(Formerly known as Agro Tech Foods Limited)*  
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**NOMINATION AND REMUNERATION POLICY (“THE POLICY”)**

In terms of Section 178 of the Companies Act, 2013 read with rule 6 of the Companies (Meeting of the Board and the Rules) 2014 with amendments therein, the Company is required to constitute a Nomination and Remuneration Committee (“the Committee/ NRC”) consisting of three or more non- executive directors out of which not less than one-half shall be independent directors.

Similarly, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Agreement”) read with amendments therein, entered into by Sundrop Brands Limited (“the Company”) with the Stock Exchanges, as amended from time to time requires the Company to constitute a Nomination and Remuneration Committee consisting of three or more non- executive directors out of which not less than two-third shall be Independent Directors.

This Policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management of the Company has been amended by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors of the Company vide its resolution dated 17<sup>th</sup> October 2014 and further amended on 12<sup>th</sup> February 2026.

**1. Introduction**

The purpose of Nomination and Remuneration Committee is as under:

- to identify persons who are qualified to become Director(s) and who may be appointed as the Senior Management of the Company including the Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board of Directors (“the Board”) of the Company their appointment and removal;
- to carry out evaluation of every Director’s performance;
- to formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- to recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees (*as applicable*).

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

## **2. Objective of the Policy**

The Policy is framed with the objective(s):

1. That 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.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other Senior Management of the Company 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. To lay down criteria and terms and conditions with regard to identifying person(s) who are qualified to become Directors (Executive and Non-Executive) and person(s) who may be appointed at the Senior Management, Key Managerial positions and to determine their remuneration.
5. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
6. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
7. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
8. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial person(s) and create competitive advantage.
9. To lay down criteria for appointments, removal of Directors, Key Managerial Personnel and Senior Management and evaluation of their performance.
10. To meet the requirement of the disclosure of remuneration policy and the evaluation criteria in its Annual Report.

## **3. Definitions:**

In this Policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules thereunder.
2. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the Directors of the Company.
3. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. Company means Sundrop Brands Limited (*formerly known as Agro Tech Foods Limited*).
5. 'Directors' means Directors of the Company.
6. 'Independent Director' means a Director referred to in Section 149 (6) of the Companies Act, 2013.

7. 'Key Managerial Personnel' (KMP) means:
  - a. the Chief Executive Officer, or the Managing Director or the Manager;
  - b. Whole-time Director;
  - c. Chief Financial Officer;
  - d. Company Secretary;
  - e. 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; and
  - f. such other officer as may be prescribed.
8. 'Ministry' means the Ministry of Corporate Affairs.
9. 'Regulations' refers to and comprise of Companies Act, 2013, and related Rules, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy.
10. 'Senior Management' for this purpose shall mean employees of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.

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

#### **4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least two-thirds shall be Independent Director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

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.

The Nomination and Remuneration Committee shall meet as often as required.

The Nomination and Remuneration Committee shall be constituted as specified by Securities Exchanges Board of India from time to time. The Board of Directors of the Company may reconstitute the Committee to comply with the provisions of the Companies Act, 2013 and the Listing Agreement as may be amended from time to time and applicable statutory requirements, including but not limited to the Listing requirements.

#### **5. Policy for appointment, removal and performance evaluation of Director, KMP and Senior Management**

##### **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise, experience and independence of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- b) 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 concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who is below the age of twenty-one years or has attained the age of seventy years provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
- d) Appointment of Independent Director(s) is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder and provisions of Revised Clause 19 to the Listing Agreement.
- e) The Committee may invite such executive(s), as it considers appropriate, to be present at the meetings of the Committee. Such executive(s) shall not be present when his or her own appointment, reappointment or remuneration is discussed at a meeting or when his or her performance is being evaluated.

### **Term / Tenure**

- a) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Managing Director / 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.
- b) Independent Director: Subject to provisions of Section 152 of the Companies Act, 2013 read with amendments therein (*as may be applicable*), 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.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

### **Evaluation**

1. Performance evaluation of Independent Directors
  - a. The Committee shall lay down the evaluation criteria for performance evaluation of independent directors.
  - b. The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.

- c. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the Director being evaluated).
- d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors.
2. The Committee shall also lay down the evaluation criteria for performance evaluation of Director(s) other than Independent Director(s) and Senior Management.
3. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).
4. Independent Director shall hold at least one meeting in a year, without attendance of Non-Independent Directors (Non-ID's) and members of management to review:
  - a. performance of Non-IDs and BOD as a whole.
  - b. performance of the Chairperson taking into consideration views of NEDs/ Eds.
  - c. quantity/quality/flow of information from the management to the Board to effectively perform their duties.

### **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management 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 rules made thereunder and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. The Board may further delegate this power to the Managing Director of the Company.

### **6. Matters relating to the Remuneration for the Managing Director, Whole-time Director, Director(s), KMPs, Senior Management and other Employee(s) (if any)**

- a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, Directors, other KMPs, Senior Management and other Employee(s)(if any) will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company, wherever required as per rules and regulations of Companies Act, 2013 or any other statutes
- b) The remuneration to be paid to the Managing Director/ Whole-time Director shall be in accordance with the conditions laid down in the provisions of the Companies Act, 2013 & the rules made thereunder.
- c) 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 in the case of Managing Director/ Whole-time Director.

- d) Where any insurance is taken by the Company on behalf of its Managing Director/ Whole-time Director, Chief Executive Officer, 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.
- e) The Committee may recommend the following guidelines for recommending/approving remuneration on case-to-case basis:
- i. remuneration should be reasonable and sufficient to attract, retain and motivate the employees to be aligned with the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives);
  - ii. overall remuneration practices should be consistent with industry standards.
  - iii. market competitive;
  - iv. average levels of compensation payable to employees in similar ranks;
  - v. should not contain any provisions regarding incentives to take excessive risks over the short term;
  - vi. based on the role played by the individual in managing the Company, including responding to challenges faced by the Company;
  - vii. periodic review; and
  - viii. aligned to regulatory requirements.
- f) The Committee shall ensure that the Process for appointment, re-appointment, termination or acceptance of resignation of Managing Director/ Whole-time Director, KMPs, Senior Management and other employees (if any) is in accordance with the provisions of the Companies Act, 2013, Listing Agreement and SEBI Circulars as may be issued and as revised from time to time.

## **7. Remuneration to Managing Director , Whole-time Director, KMPs, Senior Management**

### **a) Fixed pay:**

The Managing Director, Whole-time Director, other KMPs and Senior Management shall be eligible for 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, Employee Stock Options (ESOPs) and other benefits including employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### **b) 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 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 approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director / Whole-time Director 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 prior sanction of the Central Government, where required, he / she shall refund such sums to 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 permitted by the Central Government.

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

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the provisions contained under Companies Act, 2013.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending each meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000 (Rupees one lakh only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

For Independent Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

c) Commission:

Commission may be paid within the monetary ceiling limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Employee Stock Options (ESOPs):

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

**9. Disciplinary Actions**

The Committee shall approve action for any non-compliance with regulatory provisions, code of conduct and internal guidelines as per the procedures for undertaking disciplinary actions.

**10. Board Diversity**

In reviewing and determining the Board composition, the NRC shall consider the merit, expertise, skill, experience, gender, various geographies and other diversity of the Board. In determining whether to recommend a Director for re-election / reappointment, the NRC shall also consider the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent evaluation done for the respective Director. The process for evaluation shall be as per the Performance Evaluation Policy of the Company.

The Board shall consist of Directors having the relevant requisite qualifications and experience in the following areas like Technology, Management or Administration, Risk Management, Legal and Regulatory, Finance and Accounting, Capital Markets, Leadership Skills etc.

#### **11. Disclosure**

The above Policy needs to be disclosed in the Board's report.

#### **12. Amendments to the Policy**

This Policy may be reviewed at such interval as it may deem necessary, but at least once every three years and recommend the changes, if any, first to the NRC and then for the approval of the Board. Where there are any statutory or regulatory changes necessitating the change in this policy on an immediate basis, without the need of NRC and the Board approval. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

In case of any subsequent changes in the Companies Act, 2013 and/ or Listing Agreements or any other regulations which makes any of the provisions in this Policy inconsistent with the Companies Act or Listing Agreements, or any other regulations, then the provision of the Companies Act or Listing Agreements or other regulations would prevail over this Policy and the provisions of this Policy would be modified in due course to make it consistent with law. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.