

**NOMINATION AND
REMUNERATION POLICY
Of
SJP ULTRASONICS LIMITED
(FORMERLY KNOWN AS SJP ULTRASONICS PRIVATE LIMITED)**

INTRODUCTION

The Nomination & Remuneration Policy (NRC) (“Policy”) of **SJP Ultrasonics Limited** (“The Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013.

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

The Policy has been approved by the Board of Directors on July 29, 2024

OBJECTIVES OF THE SUCCESSION PLANNING POLICY

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and any other applicable rules as amended from time to time. The Key Objectives of the Committee would be:

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- (d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

DEFINITIONS

- (a) **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- (b) **Board** means **Securities And Exchange Board Of India**.
- (c) **Company** means “SJP Ultrasonics Limited”
- (d) **Directors** mean Board of Directors of “SJP Ultrasonics Limited” of the Company.
- (e) **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- (f) **Key Managerial Personnel (KMP)** means
 - Chief Executive Officer or the Managing Director or;
 - the Manager;
 - Whole-time director;

- Chief Financial Officer
 - Company Secretary;
 - such other officer as may be prescribed.
- (g) **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961
- (h) **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads This would also include all members of management one level below the chief executive officer / managing director / Whole Time Director and shall specifically include company secretary and chief financial officer.

RESPONSIBILITIES OF THE COMMITTEE:

The Nomination and Remuneration Committee is responsible for:

- (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- (b) identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- (c) recommending to the Board on the selection of individuals nominated for directorship;
- (d) making recommendations to the Board on the remuneration payable to the Directors/KMPs/Senior Managements so appointed/re-appointed;
- (e) assessing the independence of independent directors;
- (f) such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder.
- (g) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- (h) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

APPOINTMENT OF DIRECTORS/KMPs/SENIOR MANAGEMENT

- (a) Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
 - the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
 - the skills and experience that the appointee brings to the role of KMP/Senior Management and how an appointee will enhance the skill sets and experience of the Board as a whole;
 - the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- (b) Personal specifications:
- Degree holder in relevant disciplines;
 - Experience of management in a diverse organization;
 - Excellent interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
 - Having continuous professional development to refresh knowledge and skills.

REMOVAL OF A DIRECTOR, KMP OR SENIOR MANAGEMENT

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder 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 Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior managements. The Directors, Key Management Personnel and other senior management's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Managements of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

GENERAL POLICY STATEMENT:

This Policy is performance driven and is structured to motivate the Directors and the employees of the Company, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by Business or Functional Head through annual appraisal process, jointly with HR Head. The Company endeavours to attract, retain, develop and motivate high performance employees which will ensure long term sustainability of the Company and create a competitive advantage.

ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Committee will perform based on the following:

1. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management.
2. To recommend to the Board, appointment and removal of the Director[s] and evaluation of each Director's performance.
3. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
4. To review on annual basis, the compensation to the Non-Executive Directors and Senior Management and recommend to the Board the remuneration and incentive payable to each of them.
5. Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks.
6. To develop and review the succession plan for the Board.

MEMBERS, CHAIRMAN AND SECRETARY:

1. The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them shall be Independent Directors.
2. The presence of minimum two members of the Committee shall constitute a valid quorum.
3. The Chairman of the Committee shall always be an Independent Director.
4. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to be the Chairman for that meeting.
5. The Company Secretary of the Company shall act as the Secretary to the Committee.

DUTIES FOR NOMINATIONS:

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness.
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the provisions of Companies Act, 2013 and the Listing Regulations.
3. Determining the appropriate size, diversity and composition of the Board.
4. Selecting new Directors for appointment on the Board in a transparent manner.
5. Reviewing succession of the Board and Senior Management on regular interval.
6. Reviewing the performance of the Board and Senior Management to achieve the Company's business goals.

MONITORING AND EVALUATION

The Nomination and remuneration Committee shall evaluate the performance of the Directors and the overall Board broadly on the basis of below mentioned criteria:

- Whether the Directors/Board have acted in accordance with the provisions of the Articles of Association of the Company.
- The Committee shall assemble all information regarding a candidate's background and qualifications to determine if the candidate possesses or satisfies the minimum skills and qualifications that a director must possess.
- The Committee shall evaluate a candidate's mix of skills and qualifications and determine the contribution the candidate could be expected to make to the overall functioning of the Board.

- The Committee shall give due consideration to the overall Board balance of diversity of perspectives, backgrounds and experiences.
- With respect to current directors, the Committee shall consider past attendance at meetings and assess the participation in and contributions to the activities of the Board. Whether the Directors / Board have acted in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the Community and for the protection of environment.
- Whether the Director / Board has exercised their duties with due and reasonable care, skill and diligence and whether the Director / Board have exercised independent judgment.
- Whether the Director / Board have involved in a situation in which he / they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- The Committee shall recommend director to the Board based on its assessment of overall suitability to serve on the Board in accordance with this Policy.

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 or regulations, then the provisions of the Act or regulations 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 regulations 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.