



SLONE INFOSYSTEMS LIMITED

(formerly known as "Slone Infosystems Private Limited")

CIN: L72900MH2022PLC396387

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**Registered Office: Office 203 2nd Floor Mohini Heights CHS LTD
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NOMINATION AND REMUNERATION POLICY

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(TERM OF REFERENCE, PROCEDURE AND POLICIES)

1. INTRODUCTION

In compliance with the requirements set out in the Companies Act, 2013 (“Companies Act”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and SEBI (Depositories and Participants) Regulations, 2018, (“Depository Regulations”), the Nomination and Remuneration Committee (“NRC”) of Slone Infosystems Limited has formulated this Nomination and Remuneration Policy (“Policy”) in order to set our principles, parameters and governance framework of the appointment and remuneration for Directors, Managing Director & CEO, Key Management Personnel and other employees of the Company.

This Policy will assist the Governing Board of the Company to fulfil its responsibility by way of recommendation from the NRC to attract, retain and promote the aforesaid personnel with respect to their remuneration in line with the corporate and their individual performances.

This Policy also takes into account the staff rules, resolutions approved by the Governing Board or its Committee/s, internal controls and guidelines framed by the Company.

2. OBJECTIVE

To identify persons who are qualified to become Directors (executive and non-executive) and who may be appointed in senior management positions in accordance with the criteria laid down and recommend their names to the Board for appointment or removal.

To evaluate skills, knowledge, expertise and experience for the position on the Board or for Key Management Positions and on the basis of such evaluation, prepare a description of the role and capabilities required of a Director or Managing Director & CEO and other Key Management positions.

On an ongoing basis, NRC shall evaluate the remuneration that are payable to the Directors, Managing Director & CEO and key management personnel and recommend the same to the Governing Board. While doing this, the NRC shall consider the market trends and compensation levels in similar organisations so as to attract and retain the talent.

3. ROLES AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

The NRC constituted by the Board leads the process of appointment and remuneration of Directors, Managing Director & CEO and other Key Management Personnel in accordance with the requirements of the Companies Act, Depository Regulations, Listing Regulations and other applicable regulations / guidelines. All the appointments are based on merits.

The role of the NRC identified by the Board and mandated by SEBI is as follows:

1. Identify persons who are qualified to become directors or who may be appointed in senior management or other Key Management positions, in accordance with the criteria laid down, and to recommend to the Governing Board their names for appointment or removal.
2. Shall specify the manner for effective evaluation of performance of Governing Board, its committees, individual directors, MD & CEO and KMPs.
3. Shall formulate the criteria for determining qualifications, attributes, diversity and independence of a director and recommend to the Governing Board a policy, relating to the remuneration for the directors, Managing Director & CEO and other key management personnel.
4. Shall formulate the criteria for evaluation of the performance of public interest directors and the

board of directors.

5. Evaluate the skills, knowledge and experience on the Governing Board for every appointment of public interest director and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Governing Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agency, if required;
 - b) consider candidates from a wide range of background, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
6. Whether to extend or to continue with the term of appointment of a Public Interest director, on the basis of the report of performance evaluation of Public Interest directors.
7. Recommend to the Governing Board, all remuneration, in whatever form, payable to MD & CEO, Senior Management and other KMPs.
8. Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department

4. CONSTITUTION OF THE NRC

1. MEMBERSHIP

The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent. Minimum two members or one third of the members of the Committee whichever is greater, shall constitute a quorum for the Committee meeting. The members of the Committee shall be appointed or removed by the Board of Directors.

2. CHAIRMAN

The Chairman of the Committee shall be an independent director. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. The Chairman of the Committee could be present at the Annual General Meeting of the Company to answer shareholders queries or may nominate some other member to answer the shareholders' queries. However, the Chairman of the Board shall decide who would answer the queries.

3. TERM OF REFERENCE

- a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Directors;
- c) Devising a policy on Board Diversity
- d) While formulating the remuneration policy, to ensure 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;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

e) Identifying the person who is qualified to become a Director or senior managers in accordance with criteria let down and recommend to the Board their appointment and removal. The Company shall disclose remuneration policy and evaluation criteria in its annual reports.

f) To have relevant experience of contributions to the deliberations of the Board and Corporate Governance

5. MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE COMMITTEE

The following matters shall be dealt with by the Committee:-

(a) Identification and recommendation of candidates for appointment as Directors, KMP and Senior Management:

The Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy and recommend to the Board their appointment and removal. In this regard, the Committee may rely on the Company's management, or external search firm(s), or a mix of both, as the Committee deems fit from time to time.

(b) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to (i) have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management and (ii) ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

(c) Formulation of criteria and recommendation of Policy:

Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, KMP and other employees. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: (i) use the services of an external agencies, if required; (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.

(d) Succession plans:

Establishing and reviewing succession plans of the Board, KMP and Senior Management in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

(e) 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) 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.

(f) Remuneration framework and policies:

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

- a. Remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the chairperson (if nonexecutive), including any additional fees payable for membership of Board committees;
- c. the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay, if any, and service contracts 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.

6. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

A. Selection of New Directors, KMP And Senior Management

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management 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 Senior Management 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. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended

for such role shall meet the description.

5. The Company shall appoint or continue the employment of a person as managing director /whole-time director and non-executive Director who has not attained the maximum age of retirement as prescribed under Applicable Laws.

6. 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.

7. The Company shall not appoint any resigning Independent Director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an Independent Director

8. The term/tenure of the Directors, KMP and Senior Management/ other employees shall be in accordance with the Applicable Laws and their respective contracts/ terms of appointment (and shareholders and/or government approvals, where relevant).

Criteria for Determining Qualifications, Positive Attributes & Independence of Director

a) Qualifications of Independent Director:-

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related and beneficial to the company's business.

b) Positive attributes of Independent Directors:-

An independent director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

c) Independence of Independent Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning independence of directors.

7. POLICY ON BOARD DIVERSITY

The Company should endeavour to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

8. REMUNERATION POLICY

a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:

- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- to attract and retain skilled executives;
- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- To ensure any termination benefits are justified and appropriate.

- To consider professional indemnity and liability insurance for Directors and senior management.

b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

c) Remuneration to Non-Executive Directors (NED's):

- NED's shall be paid a sitting fee for every meeting of the board and committee thereof attended by them as member. The present sitting fees is Rs. 5,000/- each for attending the Board/Committees meeting of the Company vide Board resolution dated 28th December, 2023.
- NED's shall not be entitled to any commission on net profit of the Company.

d) Remuneration to Key Managerial Personnel & other employees:

- The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.
- Remuneration to Executive Director/ Key Managerial Personnel and Senior Management will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance bench marks and may 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.
- While deciding the remuneration package to take into consideration current employment scenario and remuneration package of the industries operating in the similar comparable businesses in the geographical area of its operations.
- The company has no stock options, plans and hence, such instruments do not form part of their remuneration package.

9. AGENDA, MINUTES & REPORTS

Meeting of the Committee can be held whenever required. The Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

1. Approved in the Board Meeting held on 28th December, 2023
2. The Revision in policy approved in the Board Meeting held on 14th July, 2025