
NOMINATION AND REMUNERATION POLICY

GEM ENVIRO MANAGEMENT LIMITED



Approved on December 06, 2023

Amended on August 26, 2025



NOMINATION AND REMUNERATION POLICY OF GEM ENVIRO MANAGEMENT LIMITED

1. INTRODUCTION

This Nomination and Remuneration Policy of GEM Enviro Management Limited ("the Policy") has been formulated in accordance with the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") relating to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel.

2. DEFINITIONS

- a. **"Applicable Laws"** means the Companies Act, 2013 and rules framed thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time.
- b. **"Board"** means the Board of Directors of the Company.
- c. **"Committee"** means the Nomination and Remuneration Committee of the Company.
- d. **"Company" or "GEM"** means GEM Enviro Management Limited.
- e. **"Key Managerial Personnel" (KMP)** means:
 - i. the Chief Executive Officer or the Managing Director or the Manager;
 - ii. the Company Secretary;
 - iii. the Whole-time Director;
 - iv. the Chief Financial Officer;
 - v. 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
 - vi. such other officer as may be prescribed.
- f. **"Policy"** means the Nomination and Remuneration Policy of the Company.
- g. **"Senior Management Personnel" (SMP)** means the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

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



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3. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SMP:

- 3.1 While considering appointment / re-appointment of Directors, KMP and SMP, the Committee of the Company shall consider and evaluate number of factors including but not limited to:
- a. Composition of the Board, taking into consideration the size of the Company and the requirement of law
 - b. Diversity of the board
 - c. Professional qualification
 - d. Industry Knowledge
 - e. Professional & functional expertise
 - f. Knowledge of Finance, Legal and Regulatory Matters
 - g. Personal Attributes such as integrity, honesty, transparency, etc.
- 3.2 The Committee shall also evaluate the independence of a director in case of appointment of an independent director as per the Applicable laws.
- 3.3 The Committee has authority to decide whether qualification, expertise and experience possessed by a person is satisfactory for the position.
- 3.4 For the purpose of Identifying suitable candidates, the Committee may use the services of an external agency, if required.
- 3.5 The reappointment / extension of term of the board members shall be on the basis of their performance evaluation report.
- 3.6 Any person to be appointed as Director shall not possess any disqualifications as prescribed under the Applicable Laws.
- 3.7 The Committee may, for reasons including disqualification as specified under the applicable laws, as may be deemed appropriate, recommend the removal of a Director, KMP or SMP. Such recommendation shall be made in writing with the reasons duly recorded and shall be subject to compliance with the provisions of the Applicable laws and the Company's internal policies.

4. REMUNERATION TO DIRECTORS, KMP AND SMP:

I. Remuneration to Executive Directors:

The Remuneration to Executive Directors shall be recommended by the Committee at the time of his/her appointment and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required, in accordance with the applicable laws.

The total remuneration payable to Executive Directors shall not exceed the limits mentioned under Applicable Laws or approved by the shareholders of the Company, as the case may be.



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The remuneration payable to executive directors may consist of:

- (a) **Fixed Pay** – This includes monthly remuneration comprising basic salary, house rent allowance and other allowances and perquisites, in accordance with the Company's policy.
- (b) **Variable Pay** – This component is performance based and is directly linked to the individual director's performance as well as the overall performance of the Company.

II. Remuneration to Non- Executive Directors (NEDs):

The NEDs may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees one lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Company may pay commission to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, within the limits prescribed under the applicable laws.

The quantum of sitting fees and commission will be recommended by the Committee based on Company's performance, profits, return to investors, shareholder value creation and such other qualitative parameters and subsequently approved by the Board of Directors of the Company.

The Company may pay remuneration to its directors for the professional services rendered by any such Director and in the opinion of the Committee, such Director possess the requisite qualification for rendering such professional services.

The Directors are also entitled for reimbursement of expenses incurred for attending the Shareholders meetings, Board Meetings and Committee meetings thereof, induction or training conducted by the Company for Directors.

Independent Director shall not be entitled to any stock options.

III. Remuneration to KMP (other than MD/ WTD) and SMP:

The remuneration payable to the KMP and SMP shall be recommended by the Committee at the time of his/ her appointment and subsequently approved by the Board considering relevant qualification and experience of the individual as well as prevailing market conditions.

The Committee shall review the performance of the KMP and SMP of the Company, in discussion with the Managing Director.

The remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company.

The Committee may consider grant of stock options to KMPs and SMPs.



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5. PERFORMANCE EVALUATION:

- 5.1 The Board shall evaluate, every year, its performance along with that of the Individual Directors including Chairman, Independent Directors and of its Committees.
- 5.2 The Committee shall recommend the appropriate performance criteria to the Board and assist the Board in conducting evaluation of the performance of Board, Individual Directors and Board Committees.
- 5.3 The independent directors of the Company shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.
- 5.4 The independent directors in their separate meeting shall, inter alia:
- a. review the performance of non-independent directors and the Board of directors as a whole;
 - b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
 - c. assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of directors that is necessary for the Board of directors to effectively and reasonably perform their duties.
- 5.5 The Directors who are subject to this evaluation shall not participate in their own evaluation.
- 5.6 The results of board evaluation shall remain confidential between the Chairman, Directors concerned & the Company Secretary.

6. AMENDMENT TO THIS POLICY:

The Board of Directors may amend this Policy, as and when deemed fit.

In the event of any amendment, clarification, circular, etc. issued by the relevant authorities that is inconsistent with the provisions of this Policy, such amendment shall prevail over this Policy. Accordingly, this Policy shall be deemed to be amended to the extent required, effective from the date specified in such amendment, clarification, circular, or directive