

POLICY ON NOMINATION AND REMUNERATION OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

1. BACKGROUND

Gawar Construction Limited (the “Company”) has always considered its human resource as its prime driving force. The Company has adopted a policy which covers a whole gamut of human resource functions such as the recruitment, promotion, training and development. These policies have been adopted by the Board of Directors of the Company (“Board”) and amended from time to time by the Board.

The Board has constituted a Nomination and Remuneration Committee (the “Committee”) consisting of three non-executive directors out of which not less than one-half are independent directors. The Committee, taking forward its compliance with the regulatory requirements has formulated a Nomination and Remuneration Policy (the “Policy”) pursuant to the requirements of Section 178 of the Companies Act, 2013 read with rules made thereunder, as amended from time to time (the “Act”).

The Policy has been formulated and amended by the Committee and the same was recommended for approval of the Board. The Board has approved the Policy in its meeting held on 08th August, 2025.

2. OBJECTIVE

The Key Objectives and the purpose of this Policy are: -

- To recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. IMPORTANT DEFINITIONS

- **‘Board’** means Board of Directors of the Company
- **‘Directors’** means Directors of the Company
- **‘Key Managerial Personnel’** means—
 - Chief Executive Officer or the Managing Director or the Manager;
 - Whole-time director;
 - Chief Financial Officer;
 - Company Secretary; and
 - Such other officer as may be prescribed.

- **'Senior Management'** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

4. ROLE OF COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

5. POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- The committee will determine the appropriate size, diversity and composition of the Board.
- 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.
- To practice and encourage professionalism and transparent working environment.
- To adhere the code of conduct.
- **Independent Director:**
 - 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.

6. POLICY RELATING TO THE REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT

- The Board, on the recommendation of the Nomination and Remuneration Committee shall review and approve the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and the Committee shall consider the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel.

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Director, KMP and other senior employees.
- Where any insurance is taken by the Company on behalf of its Director, KMP and Senior Management 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.
- The remuneration / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Companies Act, 2013 and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders.

7. REVIEW AND AMEDEMMENT

The Nomination & Remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amended or substitute the same as and when required. Including all the above authorities and responsibility the Committee shall execute and ensure all such authorities and responsibility as defined any act or law for the time being and including any amendment therein.