

Bombay Potteries and Tiles Limited



Policy on Nomination & Remuneration



1. INTRODUCTION

This Remuneration Policy has been framed to provide a framework for remuneration of members of the Board of Directors (**“the Board”**) of the Company, Key Managerial Personnel, Senior Management Personnel and other employees of the Company, pursuant to provisions of Section 178(3) of the Companies Act, 2013 (**the “Act”**) and the rules made thereunder and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, require the Nomination and Remuneration Committee (**“NRC”** or the **“Committee”**) of the Board of Directors of every listed company, among other classes of companies as amended.

2. OBJECTIVE

The objective of Bombay Potteries & Tiles Limited’s (**“BPTL”**) Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognising the interests of BPTL stakeholders.

- i. Identify persons who are qualified to become directors and who may be appointed in a KMP or SMP role in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- iii. Devising a policy on diversity of the board of directors;
- iv. Specify the manner and criteria for effective evaluation of the performance of the Board, its committees and individual directors. Basis the performance evaluation results of independent directors, decide whether to extend or continue their term of appointment or not;
- v. Recommend to the Board of Directors a policy relating to the remuneration of the directors, KMP and other employees, including SMP
- vi. Recommend to the Board all remuneration, in whatever form, payable to senior management;

This Policy shall act as a guideline on some of the above-mentioned objectives of the NRC

3. SCOPE

This Policy sets out the guiding principles for the Compensation and Benefits Team of the P&O Department and the Nomination and Remuneration Committee (NRC) for recommending to the Board the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel, Key Personnel and other employees of the Company and its subsidiaries.

4. DEFINITION

- a) **“Act”** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b) **“Applicable Laws”** means applicable provisions of the Act and the SEBI Regulations.

- c) **“Board”** means the collective body of the directors of the Company.
- d) **“Committee”** means the Nomination & Remuneration Committee.
- e) **“Company”** means Bombay Potteries & Tiles Limited.
- f) **“Directors”** means a director appointed to the Board of the Company.
- g) **“Independent Director”** means as provided under Applicable Laws
- h) **“Key Managerial Personnel”** or **“KMP”** means
 1. the chief executive officer or the managing director or the manager;
 2. the company secretary;
 3. the whole-time director;
 4. the chief financial officer
 5. such other officer, not more than one level below the directors who is in wholetime employment, designated as key managerial personnel by the Board; and
 6. such other officer as may be prescribed
- i) **“Policy”** means the Nomination and Remuneration Policy
- a) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by them and includes perquisites as defined under the Income-tax Act, 1961

5. COMPOSITION AND CHAIRMANSHIP

The members of the Committee will be appointed by the Board and may be removed by the Board in its discretion. These members will serve until their cessation on the Board of the Company or until they are removed by the Board or until their successors have been duly appointed. The Committee shall comprise at least three directors, and at least two-thirds of the directors shall be independent directors. All directors of the Committee shall be non-executive directors. However, the executive chairperson of the Board (if any) may be appointed as a member of the Committee but shall not chair the Committee. The Chairperson of the Committee shall be an independent director and shall be appointed by the Board. In case the Chairperson is not present at any Committee meeting, the members present at the meeting shall, amongst themselves, elect a Chairperson for that particular meeting.

6. FREQUENCY OF MEETING AND QUORUM

The Committee shall meet at least once in a year and the quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance.

7. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP:

The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, board diversity, age etc. on the Board and, in the light of this evaluation, prepare and recommend to the Board, a description of the role and capabilities required for a particular appointment.

For every appointment of an independent director, the Committee shall:

- a. 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;



- b. Ensure that 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: 1.) use the services of an external agency, if required; 2.) consider candidates from a wide range of backgrounds, having due regard to diversity; and 3.) consider the time commitments of the candidates.

In case of Directors, KMPs and SMPs, in addition to the above specifications, the NRC shall ensure that the potential candidates possess the requisite qualifications and attributes as per the Applicable Laws. Refer Annexure A for the criteria for determining the Independence of Directors in case of appointment of Independent Directors.

With respect to the removal of any Director, KMP and SMP, the NRC shall, in consultation with either the Chairman of the Company, review the performance and/or other factors meriting a removal and, subject to the provisions of the Applicable Laws and the Articles of Association of the Company, recommend to the Board its course of action.

8. THE NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee ("**Committee**") is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, KMP and Senior Management of BPTL from time to time.

While formulating this policy, the Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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:

9. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

a) Definition of Independence

A Director will be considered as a 'Independent Director' ('ID') if the person meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 (the 'Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

b) Qualifications of Directors

A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the



appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

c) Positive attributes of Directors

In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

10. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Criteria for making payments to the Non-Executive Directors shall be mentioned in the Annual Report of the Company.

Remuneration to Non-Executive/Independent Director:

1. Sitting Fees:

The Non-Executive Director(s) shall receive sitting fees for attending meetings of the Board or Committee thereof or any other meeting, as determined by the Board from time to time, within the limits prescribed under the Companies Act, 2013.

2. Payment to Independent Directors:

An Independent Director shall not be entitled to any stock option and shall receive sitting fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit-related remuneration up to the monetary limit prescribed under the Companies Act, 2013.

Remuneration for Managing Director/Executive Directors:

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, and macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the company shall at all times be determined by the Board, in accordance with the provisions of the Companies Act, 2013.

The remuneration payable to the executive directors, including the Managing or whole-time Director or Manager, shall be inclusive of the remuneration payable for the services rendered by them.

Remuneration for Key Managerial Personnel/Senior Management Personnel:

Apart from the directors, the remuneration and revision thereof

- All the KMPs such as the Company Secretary, Chief Financial Officer or any other officer that may be prescribed under the statute from time to time; and



- **“Senior Management”** of the Company which here means, the Senior Management as defined under Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be recommended by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director which will be approved by the Nomination and Remuneration Committee and Board of Directors.

The remuneration determined for all the above-mentioned senior personnel shall be in line with the Company’s philosophy to provide fair compensation to key executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

11. REMUNERATION TO OTHER EMPLOYEES

Apart from the Directors, KMPs and Senior Management, the remuneration for the rest of the employees is determined by the Human Resource Department based on the role and position of the individual employee, including professional experience, responsibility, job complexity, local market conditions and industry benchmarks.

12. INTERPRETATION AND AMENDMENTS IN LAW

The Board of Directors may, on recommendation of the NRC and in their discretion, make any changes/modifications and/or amendments to this Policy from time to time. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Applicable Laws, as may be amended from time to time, shall have the meaning respectively assigned to them therein. In the event of any conflict between the provisions of this Policy and the Applicable Laws or any other statutory enactments, rules, shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

13. GENERAL

This Policy shall also apply to all future employment of the Company's Senior Management, including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

Effective Date: November 12, 2025

Date of the approval by the Board: November 12, 2025

