



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

NOMINATION & REMUNERATION POLICY

PREAMBLE

Mini Diamonds (India) Limited (the “**Company**”) has formulated this Nomination and Remuneration Policy (“**Policy**”) to provide a framework for remuneration of members of the Board of Directors (the “**Board**”) of the Company, key managerial personnel, and other employees of the Company.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), together defined as “Applicable Law” to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

The following policy has been formulated by the NRC Committee and adopted by the Board of Directors at its meeting held on February 15, 2021. In case of any conflict between the applicable laws and this Policy, the provisions of the applicable laws shall prevail.

DEFINITIONS:

- a) “**Act**” means The Companies Act, 2013 and rules made thereunder, as amended from time to time.
- b) “**Applicable Law**” means the applicable law of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the other applicable provisions of SEBI and Companies Act, 2013.
- c) “**Company**” means Mini Diamonds (India) Limited.
- d) “**Board**” means Board of Directors of Mini Diamonds (India) Limited.
- e) “**Independent Director**” means a Director referred to in Section 149 (6) of The Companies Act, 2013.



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f) “**Committee**” means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.

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) “**Managerial Personnel**” means:

- (i) Managing Director, or Chief Executive Officer or Manager as defined under Section 2(53) of Companies Act, 2013, and in their absence, a Whole-time Director;
- (ii) Chief Financial Officer;
- (iii) Company Secretary; and
- (iv) such other officers as may be prescribed.

i) “**Senior Management**” means the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise of all the members of the management one level below the executive directors, including the functional heads.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements.

The Committee shall consist of three or more non-executive directors out of which not less than two-third shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director, provided that the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee. The Membership of the Committee shall be disclosed in the Annual Report.

APPOINTMENT AND REMOVAL OF DIRECTOR, MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Managerial Personnel or at Senior Management level and recommend his / her appointment, as per Company’s Policy.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.



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- The Company shall not appoint or continue the employment of any person as Executive Director or Managing Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM/ TENURE:

- i. Managing Director/Executive Director: The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. 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 of up to maximum of 5 years each, 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.

Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Unless exempt, the Independent Directors shall pass the online proficiency self-assessment test as per the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019

EVALUATION:

The Committee shall carry out evaluation of performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

RESPONSIBILITY OF THE BOARD:

It shall be the duty of the Chairman of the Board, who shall be assisted by the Company Secretary of the Company to organize the evaluation process and accordingly conclude



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the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- i. The Chairman of the Company shall meet with each and every director individually to discuss his/ her performance throughout the year.
- ii. Review performance evaluation reports submitted by the Chairman of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.
- iii. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- iv. The Board as a whole shall discuss and analyse its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

Evaluation of Independent Director shall be carried on by the entire Board which shall include –

- a) performance of the Directors; and
- b) fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management.

In conformity with the requirement of the Act, the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

RESPONSIBILITY OF INDEPENDENT DIRECTORS:

Independent Directors shall evaluate the performance of non - independent directors and board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to:

- review the performance of the non - independent directors and the Board of Directors as a whole;
- review the performance of chairman of the Company, taking into account the views of executive directors and non- executive directors;
- 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



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the board of directors to effectively and reasonably perform their duties.

REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of Applicable Law, and rules and regulations and the policy of the Company.

RETIREMENT

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Managerial Personnel and Senior Management Personnel in the same position / remuneration or otherwise.

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- v. Devise a policy on diversity of Board of Directors; and
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- vii. Analysing, monitoring and reviewing various human resource and compensation matters
- viii. Recommend to the Board, all remuneration, in whatever form, payable to senior management and other staff (as deemed necessary).



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- ix. Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under any other applicable law.

REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS:

Non-Executive and Independent Directors (“NEDs”) will be paid remuneration by way of sitting fees and such other remuneration as permissible under the provisions of any other Applicable Law. The remuneration / compensation to the NEDs will be as determined by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors.

All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Applicable Law and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

The sitting fees payable to the NEDs for attending the Board and committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.

Any remuneration paid to NEDs for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes as mentioned above if the following conditions are satisfied:

- i) The services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

The Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors.

NEDs are entitled to be paid all travelling and other expenses they incur for attending to the Company’s affairs, including attending meetings of the Company.

The remuneration payable by the Company to NEDs shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

REMUNERATION OF MANAGING DIRECTOR/EXECUTIVE DIRECTORS:

The Remuneration/ Commission etc. to be paid to Managing Director /Executive Directors,



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etc. shall be governed as per provisions of Applicable Law and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regards to remuneration to Managing Director / Executive Directors.

REMUNERATION OF KEY MANAGERIAL PERSONNEL / OTHER EMPLOYEES:

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

DIRECTORS' AND OFFICERS' INSURANCE:

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. 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 unless otherwise specifically provided under the Act

BOARD DIVERSITY

The Board shall consist of such optimum number of Directors as per the requirements of the Act and Regulations.

The Committee will lead the process for Board appointments and forward its recommendations to the Board. All Board appointments will be based on the skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective. The Committee shall address Board vacancies by actively considering candidates that bring a diversity of background and industry experience or related expertise. The candidates will be considered against objective criteria having due regard to the benefits of diversity on the Board.

Additionally, the Committee may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing, business development, international business, operations management or any other professional area, so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

COMMITTEE MEMBERS INTEREST:

A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.



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The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the NRC.

ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION:

This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.

This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.

Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

DISSEMINATION OF POLICY:

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.