# HONASA CONSUMER LIMITED

## Terms of Reference of
## Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 ("Act") and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is entrusted with the responsibility for overseeing matters relating to the appointment, remuneration, and evaluation of Directors, Key Managerial Personnel ("KMP") and Senior Management and formulation of various policies and evaluation criteria.

The Committee discharges its roles and responsibilities in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, which include, *inter alia*, the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company, a policy relating to the remuneration of the Directors, KMP and other employees ("Nomination &Remuneration Policy"). The NRC, while formulating the policy, should ensure that:

    a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    c. remuneration to Directors, KMP 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.

- formulation of criteria for evaluation of performance of independent directors, the Board and its committees and review its implementation;

- for every appointment of an independent director, the NRC 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:

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates.

- devising a policy on Board diversity;

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

- 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;

- recommend to the Board, all remuneration, in whatever form, payable to senior management;

- formulate and administer the Company's ESOP plans/schemes, including approval of grants, allotments, and other matters relating to the administration of ESOP schemes;

- review and satisfy itself that the plans are in place for orderly succession;

- recommend suitable candidate for the role of Lead Independent Director;

- carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the NRC as provided under the Act, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.