



HONASA CONSUMER LIMITED
NOMINATION & REMUNERATION POLICY
(“Policy”)

(Effective from December 23, 2022)

HONASA CONSUMER LIMITED

CIN: U74999DL2016PLC306016

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Policy

1. Introduction

This Remuneration Policy is formulated by Nomination & Remuneration Committee (“**Committee**”) in terms of the provisions of Section 178 of the Companies Act, 2013 (“**The Act**”) and rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**the Listing Regulations**”), as amended from time to time for Directors, Key Managerial Personnel, and other employees.

Accordingly, in compliance with the aforesaid regulations, the Board of Directors (the “**Board**”) of Honasa Consumer Limited (“**the Company**”), has adopted this Policy at its Meeting held on December 23, 2022.

This policy shall come into force from the date of listing of equity shares of the Company on the stock exchanges.

2. Objectives

Our remuneration policy is designed to attract, retain, motivate and reward talent who will contribute to our long-term success and thereby build value for our shareholders and overall build a high-performance culture in the Company.

3. Constitution of Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be the governing body for the Nomination and Remuneration Policy of the Company

4. Scope

The Policy is applicable to:

- i. Directors (Executive and Non-Executive);
- ii. Key Managerial Personnel (KMPs); &
- iii. Other employees of the Company

5. Policy Overview

The Committee had laid down this policy to ensure compliance with Section 178(4) of the Act to fulfil to ensure that:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the company successfully.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. Remuneration to Directors, KMP and Employees 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.

6. Role of the Committee

- i. Identification and recommendation to Board of persons who are qualified to become Director & KMP in accordance with the criteria laid down.
- ii. Considering recommendations of the KMPs w.r.t. appointment & removal of SMPs in accordance with the criteria laid down and forwarding their recommendations to the Board accordingly.
- iii. Assist the Board in ensuring that plans are in place for orderly succession for appointment to the Board & Senior Management.
- iv. Ensure that the Board is balanced & follows a diversity policy to bring in professional experience in different areas of operations, transparency, corporate governance & financial management etc.
- v. Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- vi. Formulation of evaluation criteria for Independent/ Non-Independent/Executive Directors & the Board as a whole & KMPs.
- vii. Ensure that directors are inducted through suitable familiarization process & that proper & regular training is given to Independent Directors to update & refresh their skills, knowledge, and familiarity with the Company.
- viii. Identifying persons who are qualified to become directors in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

ix. Formulation & supervision of the Nomination and Remuneration Policy of the Company.

x. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Regulations as amended from time to time.

Provided that the Committee is authorized to delegate any/all of its powers to any of the director(s) and/or officer(s) of the Company, as may be deemed necessary, from time to time.

7. Remuneration:

We aim to provide competitive remuneration opportunities to our employees. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our employees. Principally, we believe that total remuneration packages should reflect the typical cost of comparable talent available in the industry.

I. Remuneration to Directors:

Executive Directors shall be eligible for remuneration as may be approved by the Board on recommendation of the Committee. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act, and the rules made thereunder.

ii. Non-Executive / Independent Directors will be eligible for sitting fees for attending meetings of Board or Committee as fixed by the Board on the recommendation of the Committee in accordance with the provisions of the Act, and the rules made thereunder.

iii. Commission may be paid subject to the limits as per the applicable provisions of the Act.

II. Remuneration to KMP and other employees

The KMP and other employees shall be paid remuneration as per the Company's compensation policy. The break-up of the pay scale and other components shall be governed by HR Policies of the company. The remuneration is reviewed annually through the cyclical compensation review process.

8. Disclosures

The Company shall make such disclosures on its website, Annual Report and at such other places as may be required under the Act and SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended from time to time and such Acts, Rules and Regulations as may be applicable on the Company from time to time including any amendments thereto.

9. Policy implementation and review

The Committee will be responsible for implementation and review of the Policy and make recommendations on any required changes to the Board for consideration and approval.

10. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

For, HONASA CONSUMER LIMITED

**SD/-
VARUN ALAGH
CHAIRPERSON**

Version	Adopted on	Date of Amendment	Approved by
V.1.1	December 23, 2022	NA	Board of Directors