



An **INOXGFL** Group Company
BEYOND INFINITY

GFCL EV PRODUCTS LIMITED

NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE POLICY

Preface

- a. The Company considers human resources as its invaluable assets and has in its place Human Resource Policies one of which has an objective with respect to payment of remuneration to all its employees appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.
- b. This Nomination, Remuneration and Corporate Governance Policy (NRCG Policy) has been formulated, *inter alia*, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of GFCL EV Products Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 (Act) and to ensure compliance with Corporate Governance standards.
- c. The Nomination, Remuneration and Corporate Governance Committee of the Company constituted by the Board of Directors of the Company is responsible to monitor and implement Environment, Social and Governance goals of the Company.

This Nomination Remuneration and Corporate Governance Policy of the Company is divided into two parts viz. Part A and Part B.

Part A: Statutory as per the requirements of Section 178 of the Act

1. Composition of the NRCG Committee

The Board of Directors of the Company has constituted NRCG Committee and the composition of the NRCG Committee is as per the requirements of the Act. The present composition of NRCG is given below:

Sr no	Name of the Director	Designation
1	Mr. Shailendra Swarup	Chairman and Independent Director
2	Ms. Vanita Bhargava	Independent Director
3	Dr Bir Kapoor	Non-Executive Director

The Company Secretary shall act as Secretary to the Committee.

The Board of Directors of the Company is authorized to reconstitute the present NRCG Committee in case of change in directorship of the Company and the above name of Director will change accordingly.

2. Definitions:

- a. **“Board of Directors” or “Board”** in relation to a Company, means the collective body of the Directors of the Company.
- b. **“Company”** means GFCL EV Products Limited (“GFCL EV”).
- c. **“Directors”** means a Director appointed to the Board of a Company.
- d. **“Key Managerial Personnel”** in relation to a company, means
 - i. the Chief Executive Officer or the managing director or the manager;

- ii. the company secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed;
- e. **“Senior Management”** means the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole-time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company.
- f. **“Other employees”** means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

3. Terms of Reference of NRCG Committee as per statutory requirements

- a. To formulate the criteria for determining recruitment strategy including qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management;
- b. To devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
- c. To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- d. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- e. To consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- f. To specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination, Remuneration and Corporate Governance Committee or by an independent external agency and review its implementation and compliance;
- g. To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- h. To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management,
- i. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- j. To consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- k. To specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination, Remuneration and Corporate Governance Committee or by an independent external agency and review its implementation and compliance;
- l. To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- m. To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management
- n. To administer, monitor and formulate detailed terms and conditions of the Employees’ Stock Option Schemes;

4. Qualifications and Nomination

Criteria for identifying persons who are qualified to be appointed as a Directors/KMP /Senior Management Personnel of the Company:

a. Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company.

Evaluate and recommend to the Board persons for appointment as Directors who, in the opinion of the Board, possesses the ability, integrity and relevant expertise and requisite experience, can be appointed as Director of the Company.

b. Independent Directors

Ensure for appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

c. Senior Management Personnel and KMP and Other Employees

The NRCG Committee shall review and oversee the criteria for appointment of Senior Management Personnel and Key Managerial Personnel, having regard to:

The Company approved Organogram displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each position which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the Organogram of the Company.

5. Remuneration

a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The Managing Director is also eligible for payment of Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and approved by the Shareholders from time to time to be payable to the Managing Director of the Company. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

Fixed Component		
Basic Salary	Allowances	Superannuation

b. Structure of Remuneration for Non-executive Director

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:

- i. Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- ii. Fees for attending Meetings of Committees of the Board, if any which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- iv. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors, if any.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. Structure of Remuneration for Other Employees

The power to decide structure of remuneration for all employees has been delegated to HR Department of the Company.

6. Evaluation

a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of Non-Independent Directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated annually basis.

b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guidelines on Performance Management System and Development Plan of the Company.

c. Criteria for evaluating performance of Other Employees

The power to decide criteria for evaluating performance of all the Employees has been delegated to HR Department of the Company.

Part B: Regulatory requirements on Environment (E), Social (S) and Governance (G) (ESG)

7. Terms of Reference of NRCG Committee under ESG

a. Environment

To drive sustainable growth by integrating environmental stewardship, social responsibility, and robust governance into operations. Key objectives include ensuring regulatory compliance with environmental regulations, promoting circular economy practices (battery recycling), reducing carbon emissions across the supply chain, ensuring ethical sourcing of critical minerals, environmental sustainability strategy, climate related risk management and strengthening stakeholders trust.

b. Social

- To maintain robust safety management systems aligned with applicable laws and global best practices.
- To monitor key safety indicators such as incident rates, near-misses, and lost-time injuries, with a focus on continuous improvement.
- To provide regular training, risk assessments, and emergency preparedness programs.
- To adhere to all applicable labour laws and internationally recognized human rights standards.
- To maintain Zero tolerance for forced labour, child labour, or any form of exploitation.
- To extend human rights expectations across the value chain through supplier engagement and due diligence.
- To engage proactively with Stakeholders and local communities to understand and address their concerns.
- To mitigate adverse social impacts arising from operations, particularly in chemical handling and environmental safety.
- To integrate ESG criteria into vendor selection and evaluation processes.

c. Governance

- To oversee the Board's compliance with Company's Memorandum and Articles of Association;
- To guide the Board on changes in the regulatory compliance;
- To make recommendations for committees and other board structural changes;
- To devise a Policy on diversity of Board of Directors;
- To identify, monitor and mitigate all ESG risks related it considering expectations of Stakeholders of the Company.

8. Roles and Responsibilities of NRCG

a. Environmental Goals (E)

- **Battery Circularity & Recycling:** To act in the direction of establishing infrastructure for recycling and material recovery to reduce dependence on imports and landfill waste.
- **Green Energy Adoption:** To power manufacturing facilities using renewable energy sources, such as solar and wind.
- **Carbon Footprint Reduction:** To try to adopt transitioning to electric logistics and minimizing ecological footprints through efficient production.

b. Social Goals (S)

- **Safety and Training:** To ensure high occupational health and safety standards in manufacturing plants and training employees on safe battery handling.
- **Job Creation:** To develop local talent and fostering skilled employment in the expanding battery ecosystem.
- **Ethical Sourcing:** To ensure supply chains are transparent and free from exploitative labor practices.

c. Governance Goals (G)

- **Regulatory Compliance:** To meet with all the Regulatory compliances and monitor the same.
- **Transparency and Reporting:** To Implement rigorous data disclosure regarding environmental impacts to prevent "greenwashing".
- **Risk Management:** To set up robust governance frameworks for sustainable procurement and operational accountability.

9. Amendment

Any change in the Terms of Reference shall, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

The NRCG Committee shall exercise its powers and functions in accordance with the authority delegated to it by the Board of Directors, and subject to the overall supervision of the Board.