



**NEOLITE ZKW LIGHTINGS LIMITED**

**(Formerly known as Neolite ZKW Lightings Private Limited)**

**Nomination and Remuneration Policy**

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India**

## 1. Preamble

This Nomination and Remuneration (“NRC”) Policy of Neolite ZKW Lightings Limited (formerly known as Neolite ZKW Lightings Private Limited) (hereinafter referred to as “Company”) is formulated in compliance with section 178 of the Companies Act, 2013, read with applicable rules made thereunder (“Act”) and regulation 19 read with Schedule II, Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time. This Policy has been approved by the Board of Directors (“Board”) in its meeting held on Tuesday 9<sup>th</sup> December, 2025.

## 2. Objective

- a) To lay down the criteria for identifying the persons who are qualified to become directors and who may be appointed in Senior Management and recommending to the Board of the Company their appointment and removal.
- b) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director and recommend to the Board, a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- c) To formulate the criteria for evaluation of performance of all the Directors on the Board.
- d) To devise a policy on diversity of Board of the Company.
- e) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modifications as may be applicable.

**This Policy is divided in to two parts:**

<b>Part A</b>	<b>Policy for Appointment and Removal of Director, Key Managerial Personnel and Senior Management;</b>
<b>Part B</b>	<b>Policy for Remuneration of Directors, Key Managerial Personnel and other Employees</b>

## PART A

### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

#### 1. TITLE

This policy shall be called the “Policy for appointment and removal of Director, Key Managerial Personnel and Senior Management” (“Part A Policy”).

#### 2. PREAMBLE

Section 178(2) of the Companies Act requires the Nomination and Remuneration Committee to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

#### 3. Definitions

“For the purpose of this Policy the following terms shall have the meanings assigned to them hereunder:

- a) “Act” / “Companies Act” means the Companies Act, 2013 and the rules framed thereunder as amended from time to time or secretarial standards issued by the Institute of Company Secretaries of India or any notifications, circulars as may be notified by the Ministry of Corporate Affairs;
- b) “Board” or “Board of Director” means the board of directors of the Company;

- c) **“Company”** means Neolite ZKW Lightings Limited (formerly known as Neolite ZKW Lightings Private Limited);
- d) **“Committee”** means the Nomination and Remuneration Committee of the Board;
- e) **“Directors”** shall mean directors of the Company as may be appointed by the Board and shareholders of the Company;
- f) **“Independent Director” (“ID”)** means a director referred to in Section 149(6) of the Act and 16(1)(b) of SEBI Regulations and as may be appointed by the Board and shareholders of the Company from time to time, in accordance with the applicable provisions of law;
- g)
- h) **“Key Managerial Personnel”** in relation to the Company, means
  - (i) the Managing Director/ Chief Executive Officer;
  - (ii) the Whole Time Director;
  - (iii) the Chief Financial Officer and
  - (iv) the Company Secretary;
  - (v) such other officer, not more than one level below the Board who is in whole-time employment, designated as key managerial personnel by the Board; and
  - (vi) such other officer as may be prescribed.
- i) **“Senior Management”** means officers and personnel of the Company who are members of its core management team, excluding the Board 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 the chief executive officer and manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and shall specifically include the company secretary and chief financial officer.

”

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder

#### 4. APPOINTMENT

1. The Committee shall identify and ascertain the person for appointment as Director, Key Managerial Personnel and Senior Management based on the following parameters:
  - i. Integrity;
  - ii. Qualification;
  - iii. Knowledge and Competency and
  - iv. Experience
2. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person for the concerned position is satisfactory/ sufficient for the concerned position.
3. An ID shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company’s business.
4. The Company may appoint or continue the employment of any person as managing director, whole-time director who has attained the age of seventy (70) years, subject to the approval of the shareholders by passing a special resolution, in which case the explanatory statement annexed to the notice for such motion should indicate the justification for appointing such person.
5. The Committee shall recommend the appointment to the Board of Directors of the Company. The appointment of managing director, whole-time director and ID of the Company shall be strictly in accordance with the applicable provisions of the Companies Act and any other applicable law for the time being in force.

The Committee shall be required to impart training to the person appointed as Director of the Company, on matters related to the Company viz. profile, the core business, its area of operations and work mechanism etc.

#### 5. TERM/ TENURE

1. The tenure for the executive directors, non-executive directors and IDs shall be governed by the terms defined in the Act and the SEBI Listing Regulations.

2. The tenure of the Key Managerial Personnel (except Managing Director and Executive Directors) and Senior Management will be governed by the general rules and regulations governing human resources /employees of the Company.

## **6. REMOVAL**

- a) Subject to the applicable provisions of the Act and the SEBI Listing Regulations, the Committee may recommend the removal of any of the Board of Directors of the Company if he has incurred disqualification under Section 164 of the Act or as per Section 167 or Section 169 of the Act. The reason for removal needs to be recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations and forwarded it to the Board of Directors for their consideration.
- b) The removal of the Key Managerial Personnel (except Managing Director/ executive director) shall be as per provisions of the Companies Act and Senior Management will be governed by general rules and regulations/ Policy governing Human resources /employees of the company.

## **7. RETIREMENT**

The managing director/ whole-time director/ , Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Companies Act/ prevailing policy of the Company. The Board will have the discretion to retain the Directors, Key Managerial Personnel and the Senior Management Personnel in the same position/ remuneration or otherwise, if permitted under the provisions of the Act and the SEBI Listing Regulations or any such applicable law, even after attaining the retirement age, for the benefit of the Company.

## **8. REVIEW OF THE POLICY**

- a) The Committee will review the Part A Policy as and when required, which will include an assessment of the effectiveness of the Policy.

## **9. AMENDMENTS TO THE POLICY**

Any amendment in the Policy shall be approved by the Board. The Board 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. Any subsequent amendment / modification in the SEBI Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

## **10. EFFECTIVE DATE**

The Part A Policy shall come into effect on Tuesday 9<sup>th</sup> December, 2025.

## **PART B**

### **POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

(Under section 178(3) of the Companies Act, 2013)

#### **1. TITLE**

This policy shall be called the “Policy for remuneration of Directors, Key Managerial Personnel and other employees” (“**Part B Policy**”).

#### **2. PREAMBLE**

Section 178(3) of the Companies Act requires the Committee to recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

#### **3. DEFINITIONS**

For the purpose of this Policy for performance evaluation of board of Directors, the following terms shall have the meanings assigned to them hereunder:

- (a) "**Board**" means the board of directors of the Company;
- (b) "**Key Managerial Personnel**" in terms of sub-section (51) of section 2 of the Act means-

- the Chief Executive Officer or the Managing Director or the Manager;
  - the Whole Time Director;
  - the Chief Financial Officer and
  - the Company Secretary;
- (c) **“Senior Management”** means officers/personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads and shall specifically include company secretary and chief financial officer.
- (d) **“Remuneration”** means any money or its equivalent given or passed to any person for position occupied in the Company and responsibility being vested on him and includes perquisites as defined under the Income Tax Act, 1961.
- (e) **“Committee”** means the nomination and remuneration committee of the Board;
- (f) **“Companies Act”** means the Companies Act, 2013, read with the rules thereunder, as amended;
- (g) **“Director”** means a member of the Board; and
- (h) **“Company”** means Neolite ZKW Lightings Limited(formerly known as Neolite ZKW Lightings Private Limited).

Words and expressions used and not defined in this Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.

### **Principles**

- (i) The remuneration payable to Directors shall be in accordance with the provisions of the Act and Articles of Association of the Company;
- (ii) The remuneration payable to Directors will be determined by the Committee and recommended to the Board for approval. Remuneration, if approved by the Board will be subject to approval of the shareholders and such other regulatory approvals, wherever required.
- (iii) Remuneration shall be commensurate with qualification, experience, and participation of Directors in providing strategic guidance to the Company.
- (iv) Remuneration payable to the Directors may be decided based on the performance evaluation of the Directors and Board, as a whole.

## **4. REMUNERATION TO MANAGING DIRECTOR/ WHOLE TIME DIRECTOR**

### **Fixed Pay**

The managing director / whole-time director shall be eligible for remuneration (in line with applicable laws) as approved by the shareholders of the Company, basis the recommendation of the NRC and approval of the Board. The break-up of the pay-scale, performance bonus and quantum of perquisites including employer’s contribution to provident fund, pension scheme, medical expenses, etc. shall be approved by the Board, basis the recommendation of the NRC and shall be within the overall remuneration approved by the shareholders.

### **Minimum remuneration**

In case of inadequacy of profits or absence of profits in any financial year, the Company shall pay remuneration to its managing director, whole-time director in accordance with the provisions of Schedule V of the Act.

### **Provision for excess remuneration:**

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed under the Act or without approval required under the Act, he/ she shall refund such sums to the Company, within two (2) years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of

any such sum unless approved by the shareholders of the Company by way of passing a special resolution within two (2) years from the date the sum becomes refundable.

### **Insurance**

Where any insurance is taken by a Company on behalf of its managing director, whole-time director, or manager, chief executive officer, chief financial officer or company secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## **5. REMUNERATION TO NON-EXECUTIVE DIRECTORS /INDEPENDENT DIRECTORS**

### **Sitting Fees**

IDs and Non-Independent, Non-Executive Directors (“NEDs”) may be paid sitting fees for attending meetings of the Board of Directors and committees thereof (of which they are members), as per the ceiling/ limits prescribed under the Act.

### **Remuneration**

- (i) Subject to the provisions of sections 197 and 198 of the Act, an ID may receive remuneration by way of sitting fees, reimbursement of expenses for participation in Board and other meetings and profit related commission, as may be approved by the members.
- (ii) Section 197 of the Act allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also mandates passing of a special resolution in a general meeting for payment of remuneration to NEDs in the following cases:

<b>Sr. No.</b>	<b>Scenario</b>	<b>Where the payment of remuneration to NEDs exceeds</b>
1	In case there is a managing director or whole-time director or manager	> 1% of the net profits of the company
2	In any other case	> 3% of the net profits of the company

An ID shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI Listing Regulations, as amended from time to time.

### **Reimbursement of expenses**

The NEDs may also be paid/ reimbursed such sums as may have been incurred for participating in Board/ committee meetings. This could include reasonable expenditure incurred by the Director for travel, boarding and lodging, and incidental and/or out-of-pocket expenses incurred by such Director.

## **6. REMUNERATION TO KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES**

- 6.1 The remuneration of Key Managerial Personnel and Senior Management shall involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

- 6.2. The Key Managerial Personnel, Senior Management and other employees of the Company will be paid monthly remuneration as per the Company's Human Resources ("HR") policies and/or as may be approved by the Committee.
- 6.3. The fixed compensation of all employees including Key Managerial Personnel and Senior Management will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, leave travel allowance and such other allowance.
- 6.4. The annual incentive (variable pay) of all employees, if any will be linked directly to the performance of the Company in general and individual performance for the relevant year measured against the Company's objectives fixed at the beginning of the year.
- 6.5. Employees will also be eligible for work related facilities and perquisites as may be determined through HR policies issued from time to time, based on the grade of the employee.
- 6.6. The annual increment of all employees, including Key Managerial Personnel and Senior Management will be on the basis of formal annual performance evaluation. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employees.

## **7. PERFORMANCE EVALUATION**

The Committee shall specify the manner to carry out effective evaluation of performance of Board, its Committees and individual Directors. The Directors including IDs shall be evaluated on the basis of the following criteria as indicated below:

- (i) act objectively and constructively while exercising their duties;
- (ii) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (iii) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (iv) do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (v) refrain from any action that would lead to loss of his independence;
- (vi) inform the Board immediately of circumstances that would affect their independence;
- (vii) assist the Company in implementing the best corporate governance practices;
- (viii) strive to attend all meetings of the Board and the Committees;
- (ix) participate constructively and actively in the Committees of the Board in which they are chairperson / members;
- (x) strive to attend the Board, committee and general meetings of the Company;
- (xi) keep themselves well informed about the Company and the external environment in which it operates;
- (xii) do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (xiii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest; and
- (xiv) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

## **8. REVIEW OF THE POLICY**

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy.

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law

## **9. DISCLOSURES**

The Act and the SEBI Listing Regulations mandate the following disclosures:

- (i) Particulars of the Committee such (a) brief description of the terms of reference; (b) composition, name of members and chairperson; (c) meeting and attendance during the year; (d) performance evaluation criteria for IDs (*Schedule V, Part C, Point 4 of the SEBI Listing Regulations*);
- (ii) Disclosure of the NRC Policy in the Board's Report and on the Company's website (*Section 178(4), proviso clause of the Act*);
- (iii) Disclosure of remuneration of Directors (*Schedule V, Part C, Point 6 of the SEBI Listing Regulations*)
  - (a) all pecuniary relationship or transactions of the NEDs vis-à-vis the Company;
  - (b) criteria of making payments to NEDs;
  - (c) Disclosures with respect to remuneration: in addition to disclosures required under the Act, the following disclosures shall be made:
    - (1) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.;
    - (2) details of fixed component and performance linked incentives, along with the performance criteria;
    - (3) service contracts, notice period, severance fees;
    - (4) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.
- (iv) The Policy on criteria of making payments to NEDs shall be disclosed on the Company's website and a reference of the same in the annual report of the Company.
- (v) Senior Management shall make disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (*Regulation 26(5) of the SEBI Listing Regulations*).

#### **10. AMENDMENTS TO THE POLICY**

Any amendment in the Policy shall be approved by the Board. The Board 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. Any subsequent amendment / modification in the SEBI Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

#### **11. EFFECTIVE DATE**

The Part B Policy shall come into effect on Tuesday 9<sup>th</sup> December, 2025.