



NOMINATION AND REMUNERATION POLICY



UKB ELECTRONICS LIMITED

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1.0 Introduction

- 1.1** Remuneration at UKB Electronics Limited (the “**Company**”) is based on the principles of performance, equitableness and competitiveness. This Nomination & Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.
- 1.2** This Nomination & Remuneration Policy, approved by Board of Directors at its meeting held on June 13, 2025 is based on the requirements of Section 178 of the Companies Act, 2013 read with applicable rules thereto and subsequent amendment made under Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).
- 2** This Policy applies to the Board of Directors, Key Management Personnel (“**KMP**”) and Senior Management Personnel (“**SMPs**”) of the Company.
- 2.0** This Nomination & Remuneration Policy shall be effective from June 13, 2025

2.0 Objectives

- 2.1** The objectives of this Policy are:
- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of directors and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - (b) For every appointment of an independent director, the Nomination and Remuneration Committee 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:
 - (i). use the services of an external agencies, if required;
 - (ii). consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii). consider the time commitments of the candidates.
 - (c) Aligning the remuneration of Directors, KMPs, and SMPs with the Company’s financial position, remuneration paid by its industry peers etc.;
 - (d) Formulation of criteria for evaluation of the performance of the Board and Independent Directors;
 - (e) Ensuring Board diversity;
 - (f) 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 of directors their appointment and removal; and
 - (g) Directors’ induction and continued training;

3.0 Definitions

- 3.1** “**Act**” means the Companies Act, 2013 and rules made thereunder.
- 3.2** “**Board**” means Board of Directors of the Company.
- 3.3** “**Director**” means Director as defined under Section 2(34) of the Companies Act, 2013.
- 3.4** “**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations.
- 3.5** “**Company**” means UKB Electronics Limited.

3.6 “Independent Director” means a director referred to in Section 149(6) of the Companies Act 2013 read with SEBI (LODR) Regulations.

3.7 “Key Managerial Personnel” (‘KMP’), means :

- (i) the Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager;
- (ii) the Company Secretary (CS);
- (iii) any Whole-Time Director;
- (iv) the Chief Financial Officer (CFO); and
- (v) such other officer as may be prescribed under the Companies Act, 2013, as amended from time to time.

3.8 “Senior Management Personnel” (‘SMP’) shall mean the officers and personnel of the issuer 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 Company Secretary and the Chief Financial Officer.

3.9 “Remuneration” means any money, or its equivalent given or passed to any person for services rendered by them and includes perquisites as defined under the Income Tax Act, 1961.

4.0 Guiding Principles

4.1 The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP & SMP of the quality required to run the company successfully;
- (b) 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 by the Board for an appointment as an independent director shall have capabilities identified in such description. For the purpose of identifying suitable candidates, the NRC may:
 - (i) use the services of external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates.
- (c) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (d) remuneration to Directors, KMP, SMP and other 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.

5.0 General

This Policy is divided in five parts:

Part-A covers criteria for determining qualifications, positive attributes of Directors, KMP and SMP and also independence of Independent Directors.

Part-B covers Induction and Training of Directors.

Part-C covers Performance Evaluation of the Board, its Committees and Directors including Independent Directors.

Part-D covers Remuneration of Directors, KMP, and SMP.

Part-E covers Board Diversity.

Part-F covers Clawback Policy.

6.0 PART-A

Criteria for determining qualifications, positive attributes of Directors, KMP and SMP and also independence of Independent Directors

- 6.1 The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP and SMP and recommend to the Board his/her appointment.
- 6.2 A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/satisfactory for the position concerned and are in accordance with the provisions of the Act and SEBI (LODR) Regulations.
- 6.3 The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with the SEBI (LODR) Regulations.
- 6.4 For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge, experience, background, time commitment, including – expertise in financial, regulatory/legal & risk management, general management/governance, technology and other domains as may be identified by the Board, from time to time.
For the purpose of identifying suitable candidates, the Committee may use the services of the external agencies, if required.
- 6.5 The appointment and tenure of Directors, Independent Directors, KMP and SMP shall be in accordance with the provisions of the Act read with SEBI (LODR) Regulations.
- 6.6 The Company shall appoint or continue the employment of a person as Managing Director /Whole Time Director and Non-Executive Director who has not attained the maximum age of retirement as prescribed under relevant laws.
- 6.7 A Whole-Time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a Whole-Time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- 6.8 The Company shall not appoint any resigning Independent Director, as Whole-Time Director/Managing Director, unless a period of one year has elapsed from the date of resignation as an Independent Director.

6.9 Succession plans:

The Committee shall establish and review Board, KMP and SMP succession plans to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

Career Growth Plan: The Committee shall at its discretion may review and devise an appropriate career growth plan for any Director, KMP and SMP, considering their potential skills, experience etc. with a view to create senior leadership pool within the Company as well as providing growth opportunities for them.

6.10 Removal:

Due to reasons for any disqualification mentioned in the Act, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the Act.

6.11 Retirement:

The Directors, KMP and SMP shall retire as per the applicable provisions of the relevant laws. The

Board will have the discretion to retain the Directors, KMP and SMP in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

6.12 Disqualification for Appointment of Directors

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a Company if:

- a) He is of unsound mind and stands so declared by a competent court;
- b) He is an undischarged insolvent;
- c) He has applied to be adjudicated as an insolvent and his application is pending;
- d) He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any Company;
- e) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- f) He has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- g) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- h) He has not complied with Section 152(3) i.e. he has not been allotted the Director Identification Number under Section 154 of the Act.
- i) He has not complied with Section 165 (1) i.e. he shall not be a Director in more than 20 Companies out of which 10 Companies can be public Companies.
No person who is or has been a Director of a Company which:
 - a) Has not filed financial statements or annual returns for any continuous period of three financial years; or
 - b) Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be reappointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so
Provided that where a person is appointed as a Director of a Company which is in default of above mentioned clauses, he shall not incur the disqualification for a period of 6 months from the date of his appointment.

7.0 PART-B

Induction and Training of Directors

- 7.1 On appointment, Directors shall receive a Letter of Appointment setting out in detail, the terms of appointment, duties, roles and responsibilities. Each newly appointed Director will be taken through a formal induction programme.
- 7.2 The induction process should be designed to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc.
- 7.3 It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
- 7.4 The Company may organize site visits for Directors from time to time.

8.0 PART-C

Performance Evaluation of Board, its Committees and Directors

The evaluation of the performance of the Board, its Committees and Directors shall be carried out on an annual basis. The performance of the Board and Committees thereof shall be evaluated against their terms of reference. Evaluation of the performance of Directors shall include consideration of their

skills, performance and contribution to the Board, Company strategy and Board Committees, their availability and attendance at Board and Committee Meetings.

9.0 PART-D

Remuneration of Directors, KMP and SMP

- 9.1 The remuneration of the Executive Directors, KMP and SMP should be based on Company's financial position, industrial trends, remuneration paid by peer companies and other factors as detailed in the policy. The remuneration should be reasonable and sufficient to attract retain and motivate the aforesaid persons.
- 9.2 Remuneration to Executive Directors shall be paid by way of salary (including fixed pay and variable pay), perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and Shareholders. The overall managerial remuneration shall be within the ceilings stipulated under Section 197 read with Schedule V of the Act.
- 9.3 The Non-Executive Directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof and may also can be paid Commission based on overall ceiling stipulated under the Act.
- 9.4 Increments in the existing remuneration of Executive Directors, KMP and SMP shall be approved by the Committee within the limits prescribed under the Act.
- 9.5 Where any insurance is taken by the Company on behalf of its Directors, KMP and SMP 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 9.6 The Committee is responsible for setting up remuneration for Board members. The remuneration shall be based on various factors as below:

Sl. No.	Broad factors for deciding remuneration		
	Executive Directors	Non-Executive	
		Non-Independent	Independent
a.	Qualification, background and experience of each individual	Qualification, background and experience of each individual	
b.	Performance of the Company on financial & non-financial parameters	Performance of the Company on financial & non-financial parameters	
c.	Accolades and recognition conferred on the individual including association with organizations of high repute	Accolades and recognition conferred on the individual including association with organizations of high repute	
d.	Performance of the sector in which the Company operates and overall economy.	Performance of the sector in which the Company operates and overall economy.	
e.	Remuneration of peer group	Time Commitment, roles & responsibilities	
f.	Functional Responsibility and profile of individual person	-	-
g.	Previous stints, if any	-	-
h.	Remuneration drawn from previous employer	-	-

The Committee may consider any other factor considered relevant for deciding on the remuneration of the members of the Board. The remuneration of the Executive Directors and Non-Executive including Independent Directors may differ in proportion or in the manner of payment depending upon their profile, responsibility, area of expertise, time commitment, etc.

Components of Remuneration

The remuneration of the Board members consisting of Executive Directors and Non- Executive including Independent Directors shall normally include the following: -

Sl. No.	Components of Remuneration		
	Executive Directors	Non-Executive	
		Non-Independent	Independent
1.	Fixed remuneration	-	-
2.	Variable remuneration		
a.	Performance based remuneration (as decided by the Committee/Board)	-	-
b.	Commission as decided by the Board/Committee within the ceiling specified under Act	Commission as decided by the Board/Committee within the ceiling specified under the Act	Commission as decided by the Board/Committee within the ceiling specified under the Act
3.	Long Term Incentives	-	-
4.	Retiral benefits	-	-
5.	Other perquisites and benefits	-	-

Remuneration components may differ for each member depending upon his/her role and responsibility and other factors mentioned above. Non-Executive Directors are also entitled to sitting fee as may be determined by the Board of Directors/Committee, from time to time.

9.7 Key Managerial Personnel (Other than Board members) and Senior Management Personnel (SMP)

The remuneration of KMP & SMP shall be based on the below factors:-

Sl. No.	Broad factors for deciding Remuneration
1.	Qualification, background and experience of each individual
2.	Functional responsibility and profile of individual person
3.	Performance of the Company – Financial & non-financial parameters
4.	Award and recognition of the individual
5.	Performance of the sector in which it operates and overall economy of the country
6.	Remuneration of peer group
7.	Remuneration drawn from previous employer

Components of Remuneration

The remuneration of the KMP & SMP shall normally include the following: -

- Fixed remuneration
- Performance based remuneration
- Retiral benefits
- Other perquisites and benefits

Remuneration components may differ for each member depending upon his/her role and responsibility and other factors mentioned above.

10.0 PART-E

Board Diversity

The Company believes in and embraces the benefit of having a diverse Board and sees increasing diversity in skills, industry experience, expertise, background, gender, etc. at Board level as an essential element in maintaining a competitive advantage. These would be considered in determining the optimum composition of the Board.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including:

- driving business results;
- making corporate governance more effective;
- enhancing quality and responsible decision making capability;
- ensuring sustainable development; and
- enhancing the reputation of the Company.

Board appointments will be based on merit and candidates will be considered on the basis of their skills, knowledge, experience and background, age, ethnicity, race, gender and other distinguishing qualities, having due regard to the effectiveness of the Board. It will be ensured that the Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors should have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, investment and other professions.

The Committee shall periodically review the size and composition of the Board to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence and segregate its functions of governance and management.

While reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those parameters described above.

11.0 PART-F

Clawback policy

With regards to recovery of remuneration and other expenses paid/incurred to its Directors, Key Management Personnel and SMP, the Company shall act in accordance with applicable provisions of the Act.

12.0 Applicability of the Nomination & Remuneration Policy

This Nomination & Remuneration Policy shall apply to all future appointments of Directors, KMP and SMP.

13.0 Amendment

Any modification / amendment in this Policy may be carried out by the Board on the recommendation of the Nomination and Remuneration Committee. This policy will be subject to change as per amendment in the Companies Act, 2013, SEBI (LODR) Regulations, or any other applicable Rules, Regulations and Guidelines.

14.0 Dissemination

The key features of this Policy shall be published in the Annual Report and uploaded on the website of the Company in accordance with the Companies Act 2013 and SEBI (LODR) Regulations.
