

NOMINATION AND REMUNERATION POLICY
OF
PINE LABS LIMITED

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1. DEFINITIONS AND INTERPRETATION

Definitions

“**Act**” or “**Companies Act**” shall mean the Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

“**Board**” or “**Board of Directors**” shall mean the board of directors of the Company.

“**Committee**” shall mean the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

“**Company**” shall mean Pine Labs Limited.

“**Directors**” shall mean, collectively, the directors of the Company.

“**Directors and Employees**” shall mean, collectively, the Directors, KMPs, and Senior Management of the Company (as defined herein), to whom this Policy applies.

“**Independent Director**” shall mean an independent Director on the Board.

“**Key Managerial Personnel**” or “**KMP**” shall mean the following persons, which includes persons identified by the Company under provisions of the Act.

- i) the managing director or chief executive officer or manager
- ii) whole-time Director
- iii) the company secretary;
- iv) the chief financial officer; and
- v) any other person as defined under the Act from time to time

“**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Policy**” shall mean this nomination and remuneration policy.

“**Senior Management**” shall mean officers/personnel of the Company and includes the following:

- i) the officers and personnel of the Company who are members of its core management team, excluding the Board;
- ii) all members of the management of the Company 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) and shall specifically include the functional heads, by whatever name called;
- iii) the company secretary;
- iv) the chief financial officer; and
- v) any other officer of the Company, as determined by the Committee and the Board from time to time.

Interpretation

All other words and expressions used but not defined in this Policy, but defined in the Act and/or the rules and regulations made thereunder, and the SEBI Listing Regulations shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

2. BACKGROUND

This Policy has been established to provide a transparent framework for the selection, appointment, and remuneration of the Directors and Employees. By setting out clear principles and procedures, the Policy aims to assist in the recruitment of capable, experienced, and effective leadership while ensuring fair and competitive compensation practices.

The Policy serves as a guiding tool to ensure a fair, consistent, and performance-driven methodology for the nomination, selection, and remuneration of individuals, in alignment with the Company's overall vision, values, and strategic objectives. It also supports the Board's responsibility to create a robust governance structure, promote meritocracy, and uphold the highest levels of integrity and professional conduct.

3. OBJECTIVES

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director
2. To identify and recruit suitably qualified individuals with the requisite range of skills, expertise, and experience needed to drive the Company's success, while offering competitive remuneration packages that motivate and retain top talent.
3. To create a transparent and merit-based selection and appointment procedure for Directors and Employees, ensuring that decision-making is objective, fair, and free from conflicts of interest.
4. To strengthen the Company's corporate governance practices by providing guidelines that bolster diversity, independence, and the appropriate balance of skills and qualifications on the Board and in leadership roles.
5. To ensure that remuneration structures, including salaries, bonuses, and other incentives, are linked to both individual and Company performance, encouraging accountability and the achievement of strategic goals.

4. CONSTITUTION OF THE COMMITTEE

- 4.1. The constitution of the Company shall be as follows:
 - The Committee shall comprise of at least three Directors;
 - All Directors part of the Committee shall be non-executive directors of the Company; and
 - At least two-thirds of the Directors part of the Committee shall be Independent Directors.
- 4.2 The chairperson of the Committee shall be an Independent Director, provided that the chairperson of the Company shall not be the chairperson of the Committee.
- 4.3 The quorum of the Committee shall be at least two members, or one-third of the total members of the Committee, whichever is higher, including at least one Independent Director.
- 4.4 The Committee shall meet at least once in a financial year.
- 4.5 The Board shall have the authority to reconstitute this Committee from time to time.

5. GENERAL

This Policy covers the following: -

- Part – A covers the matters to be dealt with by the Committee and recommendations by the Committee to the Board;
- Part – B covers the appointment and removal of Directors and Employees; and
- Part – C covers the remuneration for Directors and Employees.

I. Part – A

Matters to be dealt with, perused and recommended to the Board by the Committee

The following matters shall be dealt with by the Committee:-

(a) *Identification and recommendation of candidates for appointment as Directors and Employees:*

The Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy and recommend to the Board their appointment and removal. In this regard, the Committee may rely on the Company's management, or external search firm(s), or a mix of both, as the Committee deems fit from time to time.

(b) *Size and composition of the Board:*

Periodically reviewing the size and composition of the Board to (i) have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management and (ii) ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

The Committee shall also assist the Board in ensuring that the Board nomination process is in line with the diversity policy of the Board.

(c) *Formulation of criteria and recommendation of Policy:*

Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors and Employees.

For every appointment of an Independent Director, the 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:

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

(d) *Succession plans and Evaluation of performance of the Board:*

The respective policies pertaining to succession plans and evaluation of performance of the Board, as passed by the Board, will govern the said matters.

(e) *Remuneration framework and policies:*

The Committee shall be responsible for reviewing and making recommendations to the Board regarding:

- a. remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any.
- b. individual and total remuneration of non-executive Directors and the chairperson of the Board (if non-executive), including any additional fees payable for membership of the committees of the Board;

- c. remuneration and remuneration policies for the Key Managerial Personnel and the Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay, if any, and service contracts having regard to the need to:
 - (i) attract and motivate talent to pursue the Company's long term growth;
 - (ii) demonstrate a clear relationship between executive compensation and performance;
 - (iii) be reasonable and fair, having regard to best governance practices and legal requirements and
 - (iv) balance between fixed and incentive pay reflecting short and long-term performance objectives, as appropriate for the Company and its goals.
- d. the Company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements;

II. PART – B

Policy for appointment and removal of Directors, KMP and Senior Management

(a) *Appointment criteria and qualifications*

- i) The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as a Director, Key Managerial Personnel or member of the Senior Management, and recommend to the Board their appointment.

The Committee has discretion to decide whether qualification, expertise and experience possessed by such person is sufficient / satisfactory for the position.

- ii) A person to be appointed as a Director, Key Managerial Personnel or member of the Senior Management should possess adequate qualification, expertise and experience for the position they are considered for.
- iii) A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- iv) For every appointment of an Independent Director, the 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 for such role shall meet the description.
- v) No Key Managerial Personnel shall hold office in any other company, except in the subsidiary companies of the Company, as may be directed by the Board, at the same time. However, a Key Managerial Personnel may be appointed as a director in any company, with the permission of the Board.
- vi) The Company shall not appoint any resigning Independent Director, as a whole-time Director, unless a period of one year has elapsed from the date of resignation as an Independent Director.
- vii) The term/tenure of the Directors and Employees shall be in accordance with applicable laws in force at the time of their appointment, and their respective contracts/ terms of appointment (and shareholders and/or government approvals, where relevant)

(b) *Removal*

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, Key Managerial Personnel or member of the Senior Management, due to:

- i) such person meeting the criteria for any disqualification mentioned under any applicable law in force at that time; or
- ii) for non-compliance with the criteria mentioned in this Policy, or contravention of the policies of the Company.

(c) *Retirement*

The Directors and Employees shall retire as per the provisions of the applicable law in force at that time, relevant policies of the Company and the terms of their appointment and retirement. The Board will have the discretion to retain the Directors and Employees in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as may be required under applicable law.

III. PART – C

Policy relating to the remuneration for Directors and Employees

(a) *Remuneration to Directors*

- i) The Committee shall determine the remuneration / compensation / commission etc. to be paid to the Directors and hence be recommended to the Board for approval, in accordance with the requirements under applicable law, in force at the time. The remuneration payable to each Director shall be based on the remuneration structure as determined by the Board, and shall be revised from time to time, depending on individual contribution, the Company's performance, and applicable law, in force at the time.
- ii) The Committee shall review and recommend to the Board, any increments to the existing remuneration / compensation structure of Directors and Employees, which, in the case of the managing director and the whole-time Directors, should be within the limits approved by the shareholders.
- iii) Independent Directors shall not be entitled to any stock incentive of the Company.
- iv) Where any insurance is taken by the Company on behalf of its Directors and Employees 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 proven guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(b) *Remuneration to Key Managerial Personnel and members of the Senior Management*

The pay program for Key Managerial Personnel and members of the Senior Management has been designed around three primary pay components: (a) base/fixed pay; (b) performance based variable pay; and (c) stock incentives, as further described below. These three components together constitute the “**Total Rewards**” of the Key Managerial Personnel and members of the Senior Management.

- i) **Base / fixed pay:** This component of the Total Rewards refers to a guaranteed pay and is paid periodically, typically monthly, or as per payroll policy based on the country / region in which such Key Managerial Personnel or member of the Senior Management operates.
- ii) **Performance based variable pay:** This component of the Total Rewards includes a cash bonus, payable on the achievement of certain objectives and milestones, and quantifiable key performance indicators, both in relation to such Key Managerial Personnel or member of the Senior Management and the Company, as established by the Committee.

- iii) Stock incentives: This component of the Total Rewards refers to stock or equity based incentives, which can be either time-based or performance-based equity grants. Time-based stock incentives are vested based on continuation of service. Performance-based stock incentives, in the form of stock options, vest upon the achievement of certain performance parameters. The stock incentives are governed by the Pine Labs Employee Stock Option Plan, 2025 (as may be amended from time to time) as approved by the shareholders.

The Total Rewards for Key Managerial Personnel and members of the Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that the remuneration offered to the Key Managerial Personnel and members of the Senior Management is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders' interests, through a continued focus on the Company's sustainable, long-term performance.

(c) *Remuneration to other employees*

The compensation for other employees shall be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer, in consultation with the Chief People Officer.

The payment of remuneration to Directors and Employees, as specified above, is subject to deduction of tax at source, as required by applicable tax laws. In case if any tax is deducted at source as per applicable tax law, a certificate as may be prescribed by law will be issued for the amount of tax withheld. The company shall seek necessary and relevant tax documents as per applicable law in seeking waiver or reducing any applicable withholding taxes.

6. REFERENCES

The Policy shall be read along with charter of the Committee, as may be approved by the Board, from time to time.

7. AMENDMENT AND REVIEW

Subject to applicable laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable law, such applicable law in force, shall prevail over this Policy.