

LOTUS



NOMINATION AND REMUNERATION POLICY

Latest reviewed and amended on August 10, 2026

Preamble

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and other applicable provisions and in accordance with the Articles of Association of the Company, this Nomination and Remuneration Policy ("Policy") has been formulated to provide the framework for appointment, remuneration and evaluation of Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel of the Company.

Objectives

The Objectives of the Policy are as follows:

- a) To formulate criteria for determining the qualifications, positive attributes and independence of a director and their remuneration.
- b) To enable the Company to attract, retain and motivate highly qualified members for the Board to run the Company successfully.
- c) To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant regulations.
- d) To ensure that the interests of the Board are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company.
- e) To ensure that remuneration to Directors, KMP and Senior Management Personnel of the Company 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.

Interpretation

Words and expressions used but not defined in this Policy shall have the meanings respectively assigned to them under the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and other applicable laws.

Terms of Reference and Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Committee") shall:

- a) identify persons who are qualified to become directors and who may be appointed as directors or in Senior Management positions in accordance with the criteria laid down in this policy;
- b) recommend to the Board, the appointment, re-appointment and removal of Directors, KMP and Senior Management personnel and their remuneration payable to them;
- c) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, KMP and Senior Management personnel;
- d) consider the following, while formulating the policy:
 - i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. Remuneration to Directors, KMP and Senior Management 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.
- e) devise a policy on Board Diversity;
- f) consider whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- g) 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 for every appointment 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 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;
- h) consider such other matters as may be referred to it by the Board from time to time.

Criteria for Selection

A. Board of Directors

- a) The Committee shall review appropriate skills, characteristics and experience required for the position of Director. The objective is to have a Board with diverse backgrounds and experience in business, finance, healthcare, governance, academia, technology and such other areas relevant for the Company's operations.
- b) In evaluating the suitability of Directors, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, business acumen, industry knowledge and strategic perspective, educational and professional background and personal achievements.
- c) The Directors should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular aspect.
- d) In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to constructively evaluate the performance of management as part of a team in an environment of collegiality and trust.
- e) The Committee shall evaluate each Director with the objective of maintaining an effective and balanced Board that best enables the success of the Company's business.
- f) In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

B. Key Managerial Personnel and Senior Management

- a) The Committee shall identify and recommend suitable candidates for appointment as KMP and Senior Management of the Company on the basis of their academic and professional qualifications, relevant work experience, skills and other capabilities appropriate for the concerned position.
- b) Further, in case of appointment of KMP, the recommendation of the Committee and approval of the Board of Directors shall be obtained in accordance with extant applicable laws. The appointment and/or cessation of KMP shall be placed before the Committee and Board of Directors.

Term/Tenure

A. Managing Director/Whole-time Director

The Company shall not appoint or re-appoint any person as its Managing Director/Whole-time Director for a term exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

B. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a special resolution by the Company and such re-appointment shall be disclosed in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to be an Independent Director.

Provided that an Independent Director shall not, during the aforementioned period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Remuneration

A. Managing Director/Whole-time Director, KMP and Senior Management

- a) The Remuneration payable to the Managing Director/Whole-time Director shall be determined having regard to the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration shall be recommended by the Committee and approved by the Board of Directors, subject to the approval of Members of the Company as per extant applicable laws.
- b) The remuneration payable to KMP and Senior Management Personnel, including any revision thereof, shall be determined having regard to their roles and responsibilities, qualifications, experience, market benchmarks, individual performance and the Company's performance and shall be subject to the recommendation of the Committee and approval of the Board as may be applicable as per extant applicable laws.

B. Non-Executive/Independent Director

- a) Non-Executive/Independent Director may receive remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees within the limit prescribed under the Companies Act, 2013. Besides sitting fees, they may also be entitled to reimbursement of expenses for attending the meetings.
- b) Non-Executive Directors may receive remuneration, exclusive of any sitting fees payable, in accordance with the Companies Act, 2013 and other extant applicable laws.
- c) Profit-related Commission may be paid within the monetary limit approved by Members of the Company, subject to compliance of extant applicable laws.
- d) Independent Directors shall not be entitled to any stock option.

Board Evaluation

The Company shall prepare suitable evaluation questionnaires or other evaluation mechanisms covering various qualitative and quantitative parameters, including, but not limited to, participation in meetings, strategic guidance, leadership, governance practices, professional expertise, safeguarding of stakeholders' interests.

The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated. On the basis of such performance evaluation, the re-appointment of Independent Directors shall be considered, subject to the applicable provisions.

Familiarization Programme for Independent Directors

- a) The Company shall familiarize the Independent Directors with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and such other relevant matters through various programs.
- b) The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

General

Matters relating to qualifications, disqualifications, resignation, removal, retirement, letters of appointment, composition of the Committee, frequency of meetings, maintenance of minutes and other governance matters not specifically covered under this Policy shall be governed by the extant applicable laws.

Review/Amendment

The Board of Directors on its own or on the recommendations of the Committee may review/amend this policy as and when it deems fit.

The Board may amend, modify or substitute any provision of this Policy on the recommendation of the Committee or pursuant to any statutory amendment. In the event of any inconsistency between this Policy and the applicable laws, the provisions of the applicable laws shall prevail and this Policy shall be deemed to have been modified accordingly.