

GUJARAT TERCE LABORATORIES LIMITED

NOMINATION AND REMUNERATION POLICY

(Reviewed and Revised by the Board of Directors on 29th May, 2026, on the recommendation of the Nomination and Remuneration Committee)

CIN: [L24100GJ1985PLC007753] | Equity Shares listed on BSE Limited (Main Board)

1. Preamble and Regulatory Framework

This Nomination and Remuneration Policy (the “Policy”) of Gujarat Terce Laboratories Limited (the “Company”) is formulated in compliance with Section 178 of the Companies Act, 2013 read with the Rules framed thereunder, and Regulation 19 read with Part D of Schedule II, Regulation 17, Regulation 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), each as amended from time to time.

This Policy on the nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee (the “NRC” or the “Committee”) and approved by the Board of Directors of the Company.

2. Definitions

In this Policy, unless the context otherwise requires, the following terms shall have the meanings assigned below. Terms used but not defined herein shall have the meanings assigned to them in the Companies Act, 2013 (the “Act”), the SEBI Listing Regulations, or the Rules and Regulations framed thereunder.

“**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modification, clarification, circular or re-enactment thereof for the time being in force.

“**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Independent Director**” means a director referred to in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, who satisfies the criteria of independence prescribed thereunder and under Schedule IV to the Act.

“**Key Managerial Personnel or KMP**” means key managerial personnel as defined under Section 2(51) of the Act, namely:

- i. the Managing Director, the Chief Executive Officer or the Manager, and in their absence, a Whole-time Director;
- ii. the Company Secretary;
- iii. the Chief Financial Officer;
- iv. 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
- v. such other officer as may be prescribed.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him/her, and includes perquisites as defined under the Income-tax Act, 1961.

“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 comprise all members of management who are one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including the Chief Executive Officer and the Manager, in case they are not part of the Board), and shall specifically include the functional heads, by whatever name called, the Company Secretary and the Chief Financial Officer. (Definition aligned to Regulation 16(1)(d) of the SEBI Listing Regulations, as amended.)

3. Objective

The objective of this Policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain, promote and motivate talent of the quality required to run the Company successfully, and to ensure its long-term sustainability and create a competitive advantage;
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;
- criteria are formulated and specified for the effective evaluation of the performance of Independent Directors, the Board of Directors and the Committees of the Board, the evaluation to be carried out by the Board, by the Committee, or by an independent external agency, and its implementation and compliance reviewed;
- the performance of the members of the Board is evaluated and a report provided to the Board for its further evaluation;
- Key Managerial Personnel and Senior Management are provided reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations; and
- the Board is assisted in fulfilling its corporate governance responsibilities relating to nomination and remuneration.

4. Constitution and Composition of the Committee

In accordance with Section 178(1) of the Act and Regulation 19(1) and 19(2) of the SEBI Listing Regulations, the Nomination and Remuneration Committee shall comprise:

- at least three (3) directors;
- all directors being non-executive directors; and
- at least two-thirds of the directors being Independent Directors.

The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company (whether executive or non-executive) may be appointed a member of the Committee but shall not chair

it. The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance. The Committee shall meet at least once in a financial year.

As on the date of adoption of this Policy, the Committee is constituted as follows:

Sr. No.	Name of Member	Designation in the Committee
1.	Mr. Surendrakumar Prakashchandra Sharma	Chairman (Independent Director)
2.	Mr. Viplav Suryakantbhai Khamar	Member (Independent Director)
3.	Ms. Avani Suryakantbhai Patel	Member (Independent Director)

All members of the Committee are Independent Directors. The composition shall be reviewed and reconstituted by the Board from time to time to ensure continued compliance with the Act and the SEBI Listing Regulations.

5. Role of the Committee

The role of the Committee shall, inter alia, include the following, in line with Section 178 of the Act and Part D of Schedule II to the SEBI Listing Regulations:

- to formulate the criteria for determining the qualifications, positive attributes and independence of a director, and to recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- to formulate the criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- to specify the manner for effective evaluation of the performance of the Board, its Committees and individual directors, to be carried out either by the Board, by the Committee or by an independent external agency, and to review its implementation and compliance;
- to devise a policy on diversity of the Board of Directors, including with respect to its composition and size;
- 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 removal;
- to recommend to the Board all remuneration, in whatever form, payable to senior management;
- to determine whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- to recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- to develop and regularly review a succession plan for the Board and for senior management;
- to ensure that the level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate benchmarks, and that

remuneration involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives; and

- to carry out any other function as is mandated by the Board from time to time and/or as may be required under any statutory notification, amendment or modification, and to perform such other functions as may be necessary or appropriate for the performance of its duties.

6. Appointment and Removal of Director, KMP, Senior Management and Other Employees

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person being considered for appointment as a Director, KMP or at the Senior Management level, and recommend his/her appointment in accordance with this Policy.
- b) A person should possess adequate qualification, expertise and experience for the position for which he/she is considered. The Committee has the authority to decide whether the qualification, expertise and experience possessed by a person is sufficient and satisfactory for the position concerned.
- c) An Independent Director shall fulfil the criteria of independence specified in Section 149(6) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and shall not be disqualified under any applicable law. The person shall be required to be registered in, and shall comply with the requirements relating to, the databank of Independent Directors and the online proficiency self-assessment test, where applicable under Section 150 of the Act and the Rules thereunder.
- d) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy (70) years, provided that the appointment of such a person may be made or continued beyond the age of seventy years with the approval of the shareholders by way of a special resolution, subject to the explanatory statement annexed to the notice indicating the justification for such appointment.
- e) The Company shall not appoint or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five (75) years, unless a special resolution is passed to that effect and the justification for such appointment or continuation is indicated in the explanatory statement annexed to the notice of the meeting (Regulation 17(1A) of the SEBI Listing Regulations).
- f) The appointment, re-appointment or removal of an Independent Director shall be made by the shareholders by way of a special resolution, in accordance with Regulation 25(2A) of the SEBI Listing Regulations. Where an Independent Director is appointed by the Board to fill a casual vacancy or otherwise, such appointment shall be approved by the shareholders at the next general meeting or within a period of three (3) months from the date of appointment, whichever is earlier.
- g) The appointment of, and the remuneration payable to, the Directors and the Key Managerial Personnel shall be in accordance with the applicable provisions of the Act and the Rules made thereunder, and the SEBI Listing Regulations. The appointment, removal and remuneration of Senior Management shall be approved by the Board on the recommendation of the Committee.

7. Term / Tenure

(a) Managing Director / Whole-time Director / Executive Director

The Company shall appoint or re-appoint any person as its Managing Director, Whole-time Director or Executive Director for a term not exceeding five (5) years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of the existing term.

(b) Independent Director

An Independent Director shall hold office for a term of up to five (5) consecutive years on the Board of the Company, and shall be eligible for re-appointment for a further term of up to five (5) consecutive years on the passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two (2) consecutive terms, but shall be eligible for appointment after the expiry of three (3) years of ceasing to be an Independent Director, provided that during the said period of three years he/she shall not be appointed in or associated with the Company in any other capacity, either directly or indirectly.

8. Maximum Number of Directorships

The directors of the Company shall comply with the following limits on the maximum number of directorships (including any alternate directorships) that may be held at any point of time:

- A person shall not be a director, including as an alternate director, in more than twenty (20) companies at the same time, of which the maximum number of public companies shall not exceed ten (10). (For reckoning the limit of public companies, directorship in private companies that are holding or subsidiary companies of a public company shall be included; directorship in a dormant company shall not be included for the limit of twenty companies.)
- A person shall not serve as a director (in any capacity) in more than seven (7) listed entities at the same time.
- A person who is serving as a Whole-time Director or Managing Director in any listed entity shall not serve as an Independent Director in more than three (3) listed entities; and any other person shall not serve as an Independent Director in more than seven (7) listed entities at the same time.

9. Performance Evaluation

The Committee shall lay down the criteria and carry out, at least annually, the evaluation of the performance of every Director, KMP and Senior Management Personnel, in terms of Section 178 of the Act and the SEBI Listing Regulations. The performance evaluation of the Board, its Committees and individual directors shall be carried out in the manner specified by the Committee.

The performance evaluation of each Independent Director shall be carried out by the entire Board of Directors, excluding the director being evaluated. The Independent Directors shall, in a separate meeting held without the attendance of non-independent directors and members of management, review the performance of the non-independent directors and the Board as a whole, and review the performance of the Chairperson of the Company (taking into account the views of executive and non-executive directors).

The criteria for performance evaluation shall be disclosed in the Annual Report of the Company in accordance with Schedule V to the SEBI Listing Regulations.

10. Board Diversity and Skills Matrix

The Committee shall endeavour to ensure diversity on the Board of Directors having regard to factors such as gender, knowledge, experience, expertise, perspective and background, and shall ensure compliance with the requirement to have at least one woman director and, where applicable, at least one woman Independent Director. The Committee shall identify the core skills, expertise and competencies required of the Board in the context of the Company's business and sectors, and the Company shall disclose in its Annual Report the list of such skills/expertise/competencies and the names of the directors who possess them, in accordance with Schedule V to the SEBI Listing Regulations.

11. Removal and Retirement

Due to any reason for disqualification mentioned in the Act or under any other applicable law, rules or regulations, the Committee may recommend to the Board, with reasons recorded in writing, the removal of a Director, KMP or Senior Management Personnel, subject to the provisions of the Act and the Rules and regulations framed thereunder.

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain a Director, KMP or Senior Management Personnel in the same position or remuneration, or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to compliance with applicable law.

12. Policy on Remuneration to Directors, KMP and Senior Management

(1) Remuneration to Managing Director / Whole-time Directors

- h) The remuneration, commission and other benefits payable to the Managing Director / Whole-time Directors shall be governed by the provisions of Sections 197 and 198 read with Schedule V to the Act and the Rules made thereunder, or any other enactment for the time being in force, and the approvals obtained from the members of the Company.
- i) The Committee shall make such recommendations to the Board with regard to the remuneration of the Managing Director / Whole-time Directors as it may consider appropriate. Where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time Directors in accordance with the limits and conditions prescribed under Schedule V to the Act, and where such limits are to be exceeded, with the approval of the shareholders by special resolution.

(2) Remuneration to Non-Executive / Independent Directors

- j) The Non-Executive Directors and Independent Directors may receive sitting fees for attending meetings of the Board and its Committees, and such other remuneration as is permissible under the Act and the SEBI Listing Regulations. The Company currently pays sitting fees as approved by the Board of Directors within the statutory limits prescribed under the Act and the Rules made

thereunder; the amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.

- k) All remuneration of the Non-Executive / Independent Directors (other than sitting fees for attending meetings under Section 197(5) of the Act) shall be subject to the ceilings and limits prescribed under the Act and the Rules made thereunder, and shall be such as may be recommended by the Committee and approved by the Board and/or the shareholders, as the case may be. Where the total annual remuneration payable to a single Non-Executive Director or Independent Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, the approval of the shareholders by special resolution shall be obtained, in accordance with Regulation 17(6)(ca) of the SEBI Listing Regulations.
- l) Where, in any financial year, the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Non-Executive / Independent Directors in accordance with the provisions of Schedule V to the Act, subject to obtaining the approval of the shareholders by special resolution where required.
- m) An Independent Director shall not be entitled to any stock option. As on the date of this Policy, the Company does not have any employee stock option scheme or other share-based payment scheme; in the event the Company adopts any such scheme in future, no Independent Director shall be eligible to participate therein.
- n) Any remuneration paid to a Non-Executive / Independent Director for services rendered which are of a professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above, provided that (i) the services are rendered by such director in his/her capacity as a professional, and (ii) in the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(3) Remuneration to Key Managerial Personnel and Senior Management

- o) The remuneration payable to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's policy.
- p) The fixed pay shall include monthly remuneration, the employer's contribution to provident fund, contribution to pension fund and pension schemes, and such other components as may be decided from time to time.
- q) The incentive pay shall be decided having regard to the balance between the performance of the Company and the performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

13. Implementation

- The Committee may issue such guidelines, procedures, formats, reporting mechanisms and manuals, in supplement to and for the better implementation of this Policy, as it may consider appropriate.
- The Committee may delegate any of its powers to one or more of its members.

14. Disclosure, Amendment and Review

This Policy, or its salient features and the web-link thereto, shall be disclosed in the Board's Report, and the Policy shall be hosted on the website of the Company in accordance with the SEBI Listing Regulations.

In the event of any subsequent amendment to the Act, the SEBI Listing Regulations or any other applicable law that renders any provision of this Policy inconsistent therewith, the provisions of such law shall prevail, and this Policy shall be deemed to be amended to the extent of such inconsistency and shall be formally modified in due course. This Policy shall be reviewed by the Committee and the Board as and when required, and any changes recommended by the Committee shall be placed before the Board for approval.
