The Board of Directors in its meeting held on August 21, 2024 approved the composition of Nomination and Remuneration Committee (NR Committee) as under:

Current Composition of NR Committee:

S. No.	Name of Director	Designation on Board	Position on Committee
1.	Mr. Saurabh Navinchandra Mehta	Independent Director	Chairman
2.	Mr. Richard Frank Celeste	Non-executive Director	Member
3.	Mr. Kaveesh Chawla	Investor Nominee Director	Member
4.	Ms. Pooja Kothari	Independent Director	Member

NOMINATION AND REMUNERATION POLICY

FABINDIA LIMITED *(formerly known as Fabindia Overseas Pvt. Ltd.)*

CIN: U74899DL1976PLC008436

Registered Office: Plot no. 10, Local Shopping Complex,Sector B Pocket-7, Vasant Kunj, New Delhi 110070

Adopted on: June 22, 2022
Amended on: June 21, 2023
Approved by: Board of Directors
Name: William Nanda Bissell
Designation: Managing Director

Signature: Sd/-

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NOMINATION AND REMUNERATION POLICY

1. Introduction

1.1 This Nomination and Remuneration Policy of the Company ("Policy") for the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the NR Committee and approved by the Board of Directors on 21st June, 2022 and 22nd June, 2022 respectively.

1.2 This Policy has been prepared pursuant to the provisions of and is guided by the principles and objectives as enumerated in Section 178(3) of the Companies Act, 2013 and the rules made thereunder, as amended from time to time ("Companies Act") to ensure (a) reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, (b) a clear relationship of remuneration to performance, and (c) a balance between rewarding personnel of the Company in relation to short and long-term performance of the Company.

1.3 This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers/ competitive market to ensure that pay structures are appropriately aligned.

2. Applicability

2.1 The Policy is applicable to the following personnel of the Company:

- Directors (Executive and Non-Executive);
- Key Managerial Personnel;
- Senior Management Personnel

3. Objectives and Role of the NR Committee

3.1 The NR Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors policy relating to, the remuneration of Directors, Key Managerial Personnel and senior management personnel.

ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;

iv. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel;

v. 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;

vi. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

vii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

viii. Recommend to the Board, all remuneration, in whatever form, payable to the Senior Management; and

4. **Effective Date:**

The following policy has been formulated by the NR Committee and adopted by the Board of Directors at its meeting held on 22nd June, 2022. This policy shall be operational with immediate effect.

5. **Definitions:**

5.1 **"Board or Board of Directors":** - Board or Board of Directors means the board of directors of the Company.

5.2 **"Director":** - Director means director of the Company appointed in accordance with the Companies Act

5.3 **"NR Committee":** - NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

5.4 **"Company":** - Company means Fabindia Limited (formerly known as Fabindia Overseas Private Limited).

5.5 **"Independent Director":** - Independent Directors means an independent director as defined under the Companies Act.

5.6 **"Key Managerial Personnel":** - As per Section 2(51) of the Companies Act, Key Managerial Personnel means-

(i) the Managing director

(ii) the Company Secretary;

(iii) the Whole-Time Director (Executive Director);

(iv) the Chief Financial Officer; and

(v) 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.

(vi) such other officer as may be prescribed.

5.7 **"Senior Management Personnel"**: - Senior Management Personnel includes personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below Executive Directors including the functional heads i.e. Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

6. **Constitution and Quorum of the NR Committee:**

6.1 The Board has the power to constitute/ re-constitute the NR Committee from time to time in order to make it consistent with the Company's policies and applicable statutory requirement. At present, the constitution of NR Committee shall be as follows:

A) the NR Committee shall comprise of at least three Non-Executive Directors;

B) at least one-half of the Directors shall be Independent Directors.

Composition of NR Committee:

S.NO	Name of Director	Designation on Board	Position on Committee
1.	Mr. Richard Frank Celeste	Independent Director	Chairman
2.	Ms. Smita Mankad	Independent Director	Member
3.	Mr. T.K. Kurien	Non-executive Director	Member

7. **General Appointment Criteria:**

7.1 The NR Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

7.2 The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act or any other enactment for the time being in force.

7.3 The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act and any other enactment for the time being in force which is applicable to the Company.

8. Additional Criteria for Appointment of Independent Directors:

8.1 The NR Committee shall consider qualifications for Independent Directors as required under the Companies Act and also their appointment shall be governed as per the provisions of Section 149 of the Companies Act and any other enactment for the time being in force which is applicable to the Company.

9. Term / Tenure:

9.1 Chairman/Executive Vice Chairman/ Whole-time Director

A. The Company shall appoint or re-appoint any person as its Chairman/Executive Vice Chairman or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Companies Act. No re-appointment shall be made earlier than one year before the expiry of term.

B. The Company shall not appoint or continue the employment of any person as whole-time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

9.2 Independent Director/ Non- Executive Director

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

B. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

C. At the time of appointment of an Independent Director, it should be ensured that number of boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director/ Managing Director of a listed company or such other number as may be prescribed under the Companies Act.

10. Removal

10.1 Due to reasons for any disqualification mentioned in the Companies Act or under any other applicable law or any other reasonable ground, the NR Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the applicable laws.

11. Criteria for Evaluation of Independent Director and the Board

11.1 The Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

A. act objectively and constructively while exercising their duties;

B. exercise their responsibilities in a bona fide manner in the interest of the Company;

C. devote sufficient time and attention to their professional obligations for informed and balanced decision making;

D. 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;

E. refrain from any action that would lead to loss of his independence

F. inform the Board immediately when they lose their independence,

G. assist the Company in implementing the best corporate governance practices,

H. strive to attend all meetings of the Board of Directors and the Committees;

I. participate constructively and actively in the committees of the Board in which they are members;

J. strive to attend the Board, Committee and general meetings of the Company;

K. keep themselves well informed about the Company and the external environment in which it operates;

L. do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

M. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder s interest; and

N. abide by Company s memorandum and articles of association, Company s policies and procedures including code of conduct, insider trading guidelines etc.

12. Remuneration:

12.1 The NR Committee will recommend the remuneration to be paid to the Directors, Chairman, Executive Vice Chairman, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

12.2 The level and composition of remuneration so determined by the NR Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration should also 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.

A. Chairman/Executive Vice Chairman/Whole-time Director

1. The compensation paid to the executive Directors (including Chairman/Executive Vice Chairman) shall be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act.

2. Besides the above criteria, the remuneration/ compensation/ commission, etc. to be paid to Chairman/Executive Vice Chairman /Whole-time Director, etc. shall be governed as per provisions of the Companies Act or any other enactment for the time being in force.

3. The remuneration payable by the Company to the executive Directors shall be subject to the conditions specified in the Companies Act including in terms of monetary limits, approval requirements and disclosure requirements.

B. Non-executive Directors

1. The Non-executive Director may receive sitting fees for attending meetings of Board or NR Committee thereof. The remuneration/ commission/ compensation to the Non-Executive Directors will be determined by the NR Committee and recommended to the Board for its approval.

2. The remuneration payable by the Company to Non-Executive Directors shall be subject to the conditions specified in the Companies Act including in terms of monetary limits, approval requirements and disclosure requirements.

C. KMPs / Senior Management Personnel etc.

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, or any other enactment for the time being in force.

D. Directors and Officer's Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel, etc. 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 unless otherwise specifically provided under the Companies Act.

13. Chairperson

13.1 The Chairperson of the NR Committee shall be an Independent Director.

13.2 The Chairperson of the Company, whether executive or non-executive, may be appointed as a member of the NR Committee but shall not be appointed as the Chairperson of the NR Committee.

13.3 In the absence of the Chairman, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.

13.4 The Chairperson of the NR Committee meeting may be present at the annual general meeting of the Company or may nominate some other member to answer the shareholders queries.

14. NR Committee Members Interest

14.1 A member of the NR Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

14.2 The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.

15. Secretary

The Company Secretary of the Company shall act as Secretary of the NR Committee.

16. Voting

16.1 Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of the members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

17. Adoption, Changes and Disclosure of Information

17.1 This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee.

17.2 This Policy should be in sync with the human resource policies of the company and anything over and above as per the HR policies shall be included.

17.3 This Policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.

17.4 Disclosures in relation to this Policy, as may be required, under the Companies Act shall be made.

18. Dissemination of Policy

This Policy shall also be posted on the website of the Company and the details of this Policy and changes therein, including the evaluation criteria, along with the web address of the Policy, shall be disclosed in the Board's report of the Company.

19. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Companies Act or any other statutory enactments or rules as maybe applicable, the provisions of Companies Act or any other statutory enactments or rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

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