



HIMALAYAN BIO ORGANIC FOODS LIMITED
NOMINATION AND REMUNERATION POLICY

Version: 1.0
Effective Date: 14th February 2026

1. Preamble

This Policy is in compliance with the provisions of Section 178 of the Companies Act, 2013 ('Act') & rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as amended from time to time.

This Policy has been developed by the recommendation of Nomination & Remuneration Committee ('Committee'), and the Board of Directors ('Board') of Himalayan Bio Organic Foods Limited ('the Company') have approved and adopted this Policy.

2. Objectives

Following shall be the broad responsibilities and objectives of the Nomination and Remuneration Committee:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) To describe the role and capabilities required of an independent director on the basis of evaluating the balance of skills, knowledge and experience on the Board.
- c) Formulation of criteria for evaluation of performance of Directors;
- d) Devising a policy on Board Diversity
- e) While formulating the remuneration policy, to ensure that-
 - 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;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to Directors, Key Managerial Personnel 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.
- f) Identifying the person who is qualified to become a Director or senior managers in accordance with criteria let down and recommend to the Board their appointment and removal. The Company shall disclose remuneration policy and evaluation criteria in its annual reports.
- g) To have relevant experience of contributions to the deliberations of the Board and Corporate Governance

3. Constitution of Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee on 16th May, 2024. The Constitution is in line with the requirements under the Companies Act, 2013 ("Act") and the SEBI Listing Regulations. The Board has authority to reconstitute this Committee from time to time.

This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together. The Board has authority to reconstitute this Committee from time to time.

4. SELECTION OF NEW DIRECTORS

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- To be a reasonable person with integrity and ethical standards.
- To have relevant experience in Finance/ Law/ Management/ Sales/Marketing/ Administration/ deliberations of Board/Corporate Governance or the other disciplines related to company's business.
- The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- Potential conflicts of interest, and independence.
- He/ she is eligible for appointment/ re-appointment as Director and is not disqualified in terms of Section 164 & other applicable provisions of the Act and SEBI Listing Regulations.
- His/ her total number of directorship in the companies are within the limits prescribed under the Act and SEBI Listing Regulation
- In case of Independent Directors, evaluating the balance of skills, knowledge and experience in line with Company's description of the role and capabilities required of an independent director, as determined from time to time.

Further, the following are the criteria recommended by the Committee and approved by the Board for nominating/inducting a Director on the Board of the Company:

- a. composition of the Board, taking into consideration the size of the Company and the requirement of law and the Company;
- b. diversity on the Board;
- c. optimal balance of skills and relevant experience, professional qualifications;
- d. expertise and experience in a specific area of business;
- e. availability of time and other commitments for proper performance of duties;
- f. personal characteristics in line with the Company's values, such as integrity, honesty, and transparency; and
- g. any other criteria which may be added by the Board at its discretion.

5. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR

a) Qualifications of Director:-

A director shall possess requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business of the Company in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related and beneficial to the company's business.

b) Positive attributes:-

A director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

c) Independence of Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning independence of directors.

All directors of a company should not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

6. POLICY ON BOARD DIVERSITY

The Company recognizes the importance of truly diverse Board in its success and believes that diverse board brings different set of expertise & perspectives. Therefore, while evaluating a person for appointment/ re-appointment as Director or as KMP of the Company, the Company shall consider & evaluate various criteria and shall leverage difference in factors w.r.t. background, knowledge, skills, professional experience, educational, professional, cultural & geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience, understanding of the sector(s)& industry(ies) in which Company operates& other disciplines relevant to the Company's business.

The Company should endeavour to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

7. REMUNERATION POLICY

a) In discharging its responsibilities, the Nomination and Remuneration Committee must have regard to the following policy objectives:

- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- to attract and retain skilled executives;
- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns;
- to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure any termination benefits are justified and appropriate; and
- To consider professional indemnity and liability insurance for Directors and senior management
- While determining the remuneration of Directors, KMP, Senior Management Personnel and other employees, the following criteria shall be considered:
 - i. The level and composition of remuneration is sufficient to attract, retain and motivate directors & other employees of the quality required to operate the Company.
 - ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - iii. The remuneration involves and balance between fixed & variable pay reflecting short and long term performance objectives.

b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

(i) Remuneration to managing /whole-time /Executive /Director, KMP and senior management personnel

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the remuneration / compensation/ commission etc to be paid to director/ managing director etc shall be governed as per provision of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

ii) Remuneration to Non- Executive /Independent Director:

The non-executive independent director may receive remuneration/ compensation/ commission as per the provision of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the companies Act, 2013 and rules made there under or any other enactment for the time being in force.

iii) Remuneration to the other employees:

Apart from the directors, KMPs and senior management personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employees, including professional experience, job complexity and market conditions.

The various remuneration components, basic salary, allowances perquisites etc. may be continued to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments

8. POLICY REVIEW

Any change in the governing laws affecting the change in period of preservation of documents & records shall prevail over this Policy. The management of the Company is authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time.

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Policy was approved and adopted in the Board Meeting held on 14th February, 2026.