# IL JIN ELECTRONICS (INDIA) LIMITED
## *(FORMERLY KNOWN AS IL JIN ELECTRONICS (INDIA) LIMITED)*

## Nomination and Remuneration Policy

**Revised Policy approved and adopted by the Board of Directors of the Company at its meeting held on 30th October 2026.**

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**IL JIN ELECTRONICS (INDIA) LIMITED**
**(FORMERLY KNOWN AS IL JIN ELECTRONICS (INDIA) PRIVATE LIMITED)**

# NOMINATION AND REMUNERATION POLICY

## I. INTRODUCTION

This Nomination & Remuneration Policy ("Policy") of IL JIN Electronics (India) Limited (Formerly known as IL JIN Electronics (India) Private Limited) ("**the Company**") is formulated in accordance with the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder **("the Act")** and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended **("SEBI LODR Regulations")** and other applicable laws (hereinafter referred to as the "Applicable Laws") as amended from time to time.

The Board of Directors of IL JIN Electronics (India) Limited (Formerly known as IL JIN Electronics (India) Private Limited) ("**the Company**") constituted the "**Nomination and Remuneration Committee**", consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

## II. OBJECTIVE AND PURPOSE

The objectives and the purpose of the Policy are:

i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (Whole-time/non-executive/independent) of the Company;
ii. To guide / recommend to the Board appointment and removal of Directors, KMP and Senior Management of the Company.
iii. To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel (KMP) and Senior Management.
iv. To evaluate the performance of every member of the Board / KMP / member of Senior Management and provide necessary report to the Board for their further performance evaluation by the Board, if so required.
v. To recommend reward(s) payable to the KMP and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
vi. To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
vii. To do such other acts / deeds as may be prescribed by the Central Government.

## III. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE AND FORMULATION OF POLICY

i. The Board has constituted the Nomination and Remuneration Committee ("Committee") of the Board on 24 May 2018 and the Committee has been reconstituted from time to time,

as required. The composition of the Committee is in line with the requirements under the Applicable Laws. This Policy is integral to the functioning of the Committee.

ii. While formulating this Policy, the Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:
   a) 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;
   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c) 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. The Board has authority to reconstitute this Committee from time to time.

## IV. DEFINITIONS

"**Act**" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"**Board**" means Board of Directors of the Company.

"**Committee**" means the Nomination and Remuneration Committee of the Board constituted in accordance with the provisions of Section 178 of the Act and SEBI LODR Regulations.

"**Directors**" mean Directors of the Company.

"**Key Managerial Personnel**" (KMP) means

i. Chief Executive Officer or the Managing Director or the Manager;
ii. Whole-time director;
iii. Chief Financial Officer;
iv. Company Secretary; 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; and
vi. such other officer as may be prescribed;

**"Senior Management"** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management 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 of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company.

## V. ROLE OF COMMITTEE

The Committee shall:

i. Formulate the 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;

ii. Formulation of criteria for evaluation of independent directors and the Board;

iii. Devising a policy on Board diversity;

iv. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

v. Analysing, monitoring and reviewing various human resource and compensation matters;

vi. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

vii. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

viii. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

ix. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

x. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including :

a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

xi. Determine 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;

xii. Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;

xiii. Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;

xiv. Evaluation and recommendation of termination of membership of individual directors in accordance with the Board's governance principles for cause or for other appropriate reasons;

xv. Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);

xvi. Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;

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xvii. Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;

xviii. Reviewing and recommending to the Board, matters relating to revision of compensation/ salary and long term wage settlements;

xix. Consideration and approval of employee stock option schemes and to administer and supervise the same;

xx. Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc;

xxi. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;

xxii. Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;

xxiii. Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;

xxiv. Developing a succession plan for our Board and senior management and regularly reviewing the plan;

xxv. Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;

xxvi. Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and

xxvii. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

**Appointment criteria and qualifications :**

a) The Committee shall identify persons who are qualified to become Directors and who may be appointed in Key Managerial Personnel ("**KMP**") and Senior Management positions in accordance with Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations, where applicable, andl recommend their appointment to the Board : -

i. The person should possess adequate qualifications, professional competence, knowledge, skills, expertise and experience relevant to the position for which he / she is being considered. The Committee shall satisfy itself that such qualifications, skills and experience are commensurate with the role and contribute to the effective functioning, governance and long-term interests of the Company. The Committee shall have the discretion to determine whether the qualifications, skills, expertise and experience possessed by a person are adequate and appropriate for the position concerned.

ii. While considering appointment of any Director, the Committee shall take into account the positive attributes of such person including integrity, ethical standards, professional reputation, objectivity, leadership qualities, independence

of thought, sound judgment and commitment to corporate governance, pursuant to the requirements of Section 178(3) of the Act.

iii. The Company shall not appoint or employ at the same time a managing director and a manager.

iv. The Company shall not appoint or continue the employment of any person as Managing Director / Manager / Whole-time Director who is below the age of twenty-one years or has attained the age of seventy years.

*Provided that the appointment of a person who has attained the age of seventy years or term of such a 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 a motion indicating the justification for extension of appointment beyond seventy years.*

v. At the time of appointment of a director it should be ensured that number of directorships held by such Director, including an alternate directorship, does not exceed twenty companies (including not more than ten public companies).

vi. An Independent Director shall possess integrity, relevant expertise, experience and knowledge and shall possess integrity, expertise, experience and knowledge and shall satisfy the criteria of independence prescribed under Section 149(6) of the Act Schedule IV to the pursuant to Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the SEBI LODR Regulations.

vii. While recommending appointment to the Board, the Committee shall have due regard to Board diversity in terms of gender, age, knowledge, educational background, professional experience, skills and perspectives in accordance with Part D of Schedule II of the SEBI LODR Regulations, where applicable.

viii. Any intermittent vacancy of an independent director shall *be* filled by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The criteria for appointing Directors/KMPs/Senior Management and positive attributes of Directors are attached in **Annexure I.**

**Term / Tenure: - a) Managing Director / Whole-time Director / Manager:**

**Managing Director/Whole-time Director/Manager:** The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time.

No re-appointment shall be made earlier than one year before the expiry his/her term.

**Independent Director:**

i. An Independent Director shall hold office for a term up to five consecutive years 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.

ii. 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.

At the time of appointment of 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 Act.

Every Independent Director shall, at the first meeting of the Board in every financial year or whenever there is any change in circumstances affecting his/her status, furnish a declaration confirming that he/she meets the criteria of independence prescribed under the Act and applicable regulations.

Every Independent Director shall furnish a declaration of independence at the first meeting of the Board in every financial year and whenever there is any change in circumstances which may affect his/her status as an Independent Director, pursuant to Section 149(7) of the Act.

**Evaluation**

The Committee shall formulate criteria and specify the manner for effective evaluation of the performance of the Board, its Committees, individual Directors, Key Managerial Personnel and Senior Management Personnel in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI LODR Regulations, where applicable. Such evaluation shall ordinarily be carried out annually.

**Removal**

In the event of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act and the rules made thereunder.

**Retirement**

The Director, KMP and Senior Management Personnel shall retire in accordance with the provisions of the Act applicable regulations and the policies of the Company. Subject to applicable laws and the terms of appointment, the Board may, where considered appropriate and in the interest of the Company, approve the continuation of any such person beyond the normal retirement age prescribed under the Company's policies.

**Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:**

**General:**

a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and the Central Government, if required.

b. The remuneration and commission to be paid to a Managerial Personnel shall be in accordance with the percentage/slabs/ conditions laid down in the Act.

c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director / Managing Director / Manager.

d. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other 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 proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

**a) Fixed pay:**

The Whole-time / Managing Director / KMP and Senior Management Personnel shall be eligible for monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board / the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director / Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government, if required.

**Remuneration to Non- Executive / Independent Director**

**a) Commission:**

Commission may be paid on profits within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

**b) Sitting Fees:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof.

*Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such an amount which may be prescribed by the Central Government from time to time.*

*Provided further that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.*

**c) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**d) Reimbursement of expenses:**

An Independent Director may receive reimbursement of expenses for participation in the Board and other meetings of the Company.

Policy relating to the loans / advances to employees of the Company Loans / advances to the employees shall be granted in accordance with their conditions of service and shall be as per the prevailing policy of the Company.

## VI. MEMBERSHIP

i. The Committee shall consist of a minimum 3 non-executive directors or more, out of which two-thirds are Independent Directors,
ii. Minimum two (2) members or one third of members of the committee whichever is greater shall constitute a quorum for the Committee meeting including at least one Independent Director in attendance.
iii. Membership of the Committee shall be disclosed in the Annual Report.
iv. Terms of the Committee shall be continued unless terminated by the Board of Directors.

## VII. CHAIRPERSON

i. The Chairperson of the Committee shall be appointed by the Board and shall be an Independent Director. In the absence of the Chairperson, the members present may elect one of the Independent Directors present to chair the meeting.

ii. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
iii. Chairperson of the Nomination and Remuneration Committee meeting or, in his absence, any other member of the committee authorized by him/her in his/her behalf shall attend the general meetings of the Company.

## VIII. FREQUENCY OF MEETINGS

The Committee shall meet as often as may be necessary to discharge its responsibilities effectively.

## IX. COMMITTEE MEMBERS' INTERESTS

i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## X. VOTING

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

In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

## XI. REVIEW / AMENDMENT

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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**Annexure I**

**Criteria for Appointment of Directors, KMPs and Senior Management Personnel and Positive Attributes of Directors, pursuant to Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the SEBI LODR Regulations, 2015.**

## A. Criteria for Appointment

| S. No. | Particulars | Criteria |
|---|---|---|
| 1. | Integrity and Reputation | The person shall possess high standards of integrity, honesty, ethical behaviour, good reputation and credibility. |
| 2. | Qualifications | The person shall possess appropriate educational qualification, professional certification, knowledge and skills relevant to the position proposed to be filled. |
| 3. | Expertise and Experience | The person shall have adequate experience and expertise in one or more fields such as management, finance, accounting, law, corporate governance, strategy, risk management, operations, technology, manufacturing, sales, marketing, human resources, international business, sustainability or other disciplines relevant to the Company's business. |
| 4. | Leadership Qualities | The person shall have demonstrated leadership capabilities, strategic thinking, decision-making ability and the capacity to contribute effectively towards the growth and governance of the Company. |
| 5. | Independence | In case of appointment of an Independent Director, the proposed appointee shall satisfy the independence criteria prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR Regulations. |
| 6. | Absence of Disqualification | The person must not be disqualified from being appointed as a Director under the Act or any other applicable law, regulation or regulatory direction. |
| 7. | Time Commitment | The person should be able to devote sufficient time, attention and effort for effectively discharging duties and responsibilities associated with the position. |
| 8. | Board Diversity | Due regard shall be given to diversity of thought, experience, knowledge, age, gender, cultural and educational background while considering appointments to the Board. |
| 9. | Fit and Proper Status | The person should possess a sound track record and should not have been convicted of any offence |

| | | |
|---|---|---|
| | | involving moral turpitude, fraud, financial irregularity or breach of fiduciary duties. |
| **10.** | Compliance Orientation | The person should demonstrate commitment to legal compliance, ethical standards, corporate governance and stakeholder interests. |
| **11.** | Functional Competence for KMP/Senior Management | Candidates for KMP and Senior Management positions shall possess domain expertise, managerial competence and experience appropriate to the functions and responsibilities assigned to them. |
| **12.** | Conflict of Interest | The person shall not have any interest or relationship which is likely to conflict with the interests of the Company or impair independent judgement in carrying out duties. |

**B. Positive Attributes of Directors**

| S. No. | Particulars | Criteria |
|---|---|---|
| **1.** | Integrity | Adheres to high ethical and professional standards and acts in the best interests of the Company. |
| **2.** | Accountability | Takes responsibility for decisions and actions and promotes a culture of accountability. |
| **3.** | Independent Judgement | Exercises objective and independent judgement while evaluating management and Board decisions. |
| **4.** | Strategic Vision | Contributes to formulation and oversight of long-term strategy and sustainable value creation. |
| **5.** | Leadership | Provides constructive leadership, guidance and oversight to management. |
| **6.** | Financial Literacy | Possesses adequate financial and business acumen to understand financial statements, risks and business performance. |
| **7.** | Corporate Governance Orientation | Promotes transparency, fairness, good governance and regulatory compliance. |
| **8.** | Stakeholder Focus | Balances the interests of shareholders and other stakeholders while safeguarding the interests of the Company. |
| **9.** | Commitment | Demonstrates commitment and devotes sufficient time for effective participation in Board and Committee meetings. |
| **10.** | Teamwork and Collaboration | Works constructively with fellow Directors and management while respecting diverse viewpoints. |
| **11.** | Risk Awareness | Understands key business and governance risks and contributes to effective risk oversight. |
| **12.** | Professional Competence | Continuously enhances knowledge and skills to discharge fiduciary responsibilities effectively. |

## C. Additional Criteria for Independent Directors

| S. No. | Particulars | Criteria |
|---|---|---|
| **1.** | Independence | Shall meet all requirements prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR Regulations. |
| **2.** | Proficiency | Shall comply with requirements relating to proficiency, registration and continuing compliance, wherever applicable, under the Act and rules framed thereunder. |
| **3.** | Disclosure | Shall provide declarations regarding independence at the first Board Meeting of every financial year and upon any change in circumstances affecting independence. |
| **4.** | Code of Conduct | Shall abide by the duties and code prescribed under Schedule IV of the Act. |
| **5.** | Performance Evaluation | Continuation, re-appointment or extension of term shall be subject to satisfactory performance evaluation by the Board. |