

TECHNOPAINTS AND CHEMICALS LIMITED ("The Company")

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

(Effective from 09.08.2026 approved by Board of Director on 08.08.2026)

1. Introduction:

In terms of Section 178 of the Companies Act, 2013 ("Act") read with Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014, other applicable rules provisions thereto (hereinafter referred to as "the Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), this Policy on Nomination, Remuneration and Board Evaluation of directors, Key Managerial Personnel (hereinafter referred to as "KMP"), Senior Management (hereinafter referred to as "SM") of the company has been approved by the Board of Directors vide its resolution dated August 8, 2026. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and criteria for appointment of directors, criteria of independence for independent directors, remuneration to directors, matters relating to evaluation of performance of the directors, matters relating to appointment, remuneration, removal of KMP and SM including functional heads (one level below the Executive directors).

- 1.1 recognises the importance of aligning the business objectives with specific and measurable individual objectives and targets. (Effective from 09.08.2026 approved by Board of Director on 08.08.2026)
- 1.2 The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
- 1.3 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.4 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.5 Ensuring that remuneration 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.

2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

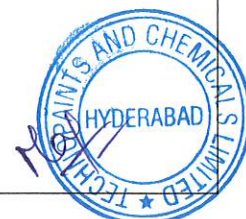
3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of the Company.

3.2 "Key Managerial Personnel" means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;



- (iii) the whole-time 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; and
- (vi) such other officer as may be prescribed under the Companies Act, 2013

3.3 “Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

4.1 Constitution of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (hereinafter referred to as “NRC”) will consist of three or more non-executive directors, out of which at least two-third shall be independent director(s). The Chairperson of the company may be appointed as a member of NRC but shall not chair the NRC meetings. The Chairperson of the NRC shall be an independent director.

The NRC shall meet at such intervals as it may deem fit to carry out the objectives set out in the policy. A quorum for NRC shall be the presence of one-third of its strength or two members, including at least one independent director. The Chairperson of the NRC may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries. However, in the case of presence of an interested director such quorum as prescribed by Secretarial Standards shall apply. The NRC members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The committee shall have the authority to call such employee(s), senior official(s) and / or external parties, as it deems fit as invitees for deliberations. The Company Secretary shall act as secretary to the committee.

4.2 Functions of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (hereinafter referred to as “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (hereinafter referred to as “**Remuneration Policy**”). The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) 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.
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall 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 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:
 - 2.1. use the services of an external agencies, if required;

- 2.2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - 2.3. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of independent directors and the Board;
 4. devising a policy on diversity of the Board;
 5. identifying persons who are qualified to become directors, and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
 6. 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;
 7. recommend to the Board, all remuneration, in whatever form, payable to senior management; and
 8. carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time
 9. administering the employee stock option plans of the Company, as may be required;
 10. determining the eligibility of employees to participate under the employee stock option plans of the Company;
 11. granting options to eligible employees and determining the date of grant;
 12. determining the number of options to be granted to an employee;
 13. determining the exercise price under the employee stock option plans of the Company;
 14. construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company;
 15. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (ii) the Securities and Exchange Board of India (Prohibition for Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
 16. Carrying out any other activities as may be delegated by the Board of Directors of the Company, functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time

4.3 Appointment of Director, KMP and Employees in SM

- a. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as director, KMP or as an employee in SM and recommend to the board his / her appointment.
- b. A candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by the candidate is sufficient/ satisfactory for the position concerned.
- c. Recommendation for appointment of independent directors shall be in consonance with the provisions of the Regulations and also the usefulness of the candidate in governance and in decision making.

d. 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 proper justification in the explanatory statement annexed to the notice for such motion for extension of appointment or employment beyond seventy years. However, if special resolution could not be passed and the Company by means of ordinary resolution and with the approval of Central Government can appoint or continue the employment of any person as whole-time director who has attained the age of seventy years.

4.4 Remuneration to Executive Directors and Key Managerial Personnel:

4.4.1 The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.4.2 The Board, on the recommendation of the NRC Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3. The remuneration structure to the Executive Directors and Key Managerial Personnel shall/may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors/KMPs & Non executive and Independent Director)
- (v) Retirement benefits
- (vi) Annual Performance Bonus

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NRC Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.5 Remuneration to Non-Executive Directors

4.5.1 The Board on the recommendation of the NRC Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.5.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors may also be entitled to profit related commission in addition to the sitting fees, including the reimbursement of the expenses including but not limited to traveling.

5. Qualifications and criteria

- a) The Committee, while evaluating the profiles of the potential allottees, shall consider these two core objectives which are that the skills, experiences and perspectives of the Board as a whole should be broad and diverse, and the collective talent should blend together to be as effective as possible.
- b) The Committee shall evaluate the balance of skills, knowledge and experience that is expected of to be fulfilled and, on the basis of such evaluation, prepare a description of the role and capabilities

that are required for an appointment and experience for the position he/she is considered for appointment.

- c) A potential appointee shall possess appropriate Qualifications, Expertise, Experience, Character Traits that is considered necessary for the particular position and the Committee shall at the time of their consideration, shall also review the ethical and moral qualities of the potential appointee.
- d) The Committee shall consider the below mentioned broad criteria to determine the suitability of an appointee to be appointed as Director or Key Managerial Personnel or in other Senior Management Positions.
 - 1. Personality, Skills and Professional Knowledge
 - 2. Knowledge and experience that is relevant to the business of the Company unless, the Board is looking for specific expertise such as Finance, Marketing etc.
 - 3. Independence of Judgement
 - 4. Ethics and Values
 - 5. Past performance and credentials, behavior and conduct.
 - 6. Leadership qualities and ability to work as a team.
 - 7. Foreseeing ability to see and prepare for future, anticipate needs, opportunities and threats.
 - 8. Communication skills
 - 9. Ability to represent the Company
 - 10. General understanding of the Company
 - 11. Business dynamics, global business
 - 12. Social perspective
 - 13. Educational and professional background
 - 14. Standing in the profession
 - 15. Personal and professional ethics, integrity and values
 - 16. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

5.1 The proposed appointee shall also fulfill the following requirements:

1. Shall possess a Director Identification Number
2. Shall not be disqualified under the Companies Act, 2013.
3. Shall give his/her written consent to act as a Director
4. Shall endeavor to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings
5. Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel
6. Shall disclose his/ her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his / her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made
7. Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity listing Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other relevant laws, The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Criteria of Independence

The NRC shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same as require. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of appointment of independence, as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 shall be applicable for determining independence of director.

6. Policy review

This Policy may be amended, modified or supplemented, from time to time, to ensure compliance with any amendment, modification or supplementation to the Companies Act, 2013 and rules made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Act, 1992 and rules/regulations/ guidelines made thereunder, RBI regulations/guidelines or any other law and any other regulatory provisions applicable to the Company and/or its' business relating to employee/directors' compensation, issued from time to time.

Any such amendment shall be made by the Board of the Company, which shall be ratified at the next meeting of the NRC of the Company, held after such amendment.

The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.

