

MARVEL DECOR LIMITED
(FORMERLY KNOWN AS “MARVEL DECOR PRIVATE LIMITED” & “ACCUMAX INTERIOR PRODUCTS PRIVATE LIMITED”)

NOMINATION AND REMUNERATION POLICY

REGULATORY FRAMEWORK:

This Nomination and Remuneration Policy (“**Policy**”) of Marvel Decor Limited (“**Company**”) has been prepared in accordance with the Companies Act, 2013 (“**Act**”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time.

Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of Listing Regulations requires the Nomination and Remuneration Committee to formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, criteria for evaluation of performance, board diversity, identifying persons who are qualified to become directors and who may be appointed in senior management, etc.

The Board of the Company shall constitute, the Nomination and Remuneration Committee, in accordance with the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to the Company. The terms of the Committee shall be continued unless terminated by the Board.

This Policy applies to the Board, the Key Managerial Personnel (the “**KMP**”) and “Senior Management” of Company.

Definitions:

“**Independent Director**” means a director referred to in Section 149(6) of the Companies Act, 2013 read together with Regulation 16 of the Listing Regulations.

“**Key Managerial Personnel**” or “**KMP**” means—

- i) Chief Executive Officer or the Managing Director or the Manager,
- ii) Company Secretary,
- iii) Whole-time Director,
- iv) Chief Financial Officer and
- v) Such other officer as may be prescribed in the Act.

“Senior Management ” means the officers and personnel of the Company who are members of its core management team, excluding the Board, 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 Company Secretary and the Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with Listing Regulations.

1. Purpose

The primary objective of the Policy is to provide a framework and set standards for the selection, appointment, performance evaluation and remuneration of the Directors, KMPs and other employees including Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, KMPs and Senior Management.

2. Accountability

- The Board is ultimately responsible for the appointment of Directors and KMPs.
- The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors and Key Managerial Personnel of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

3. Appointment of Directors, KMPs and Senior Management

Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP and Senior Management are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board and as KMP and Senior Management. When identifying a candidate for appointment, the Nomination and Remuneration Committee considers the following:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, expertise, competencies, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;

- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of KMP;
- the nature of existing positions held by the appointee including Directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

The Nomination and Remuneration Committee shall formulate criteria for determining qualifications, positive attributes and independence of a Director, KMP and Senior Management.

For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

- a) use the services of an external agencies, if required;
- b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c) consider the time commitments of the candidates

3.3 Board Diversity:

The Nomination and Remuneration Committee shall assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board. The Committee shall be responsible for reviewing and assessing the composition and performance of the Board. The Committee shall assess the appropriate mix of diversity, skills, experience, and expertise required on the Board. The Committee shall review the Board composition in terms of the size of the Board. The Board shall have an optimum composition of executive, non-executive, and Independent Directors in accordance with the requirements of the Articles of Association of the Company, the Act, the Listing Regulations and other statutory/ regulatory requirements.

3.4 Regulatory Requirements

- The Nomination and Remuneration Committee will keep in mind regulatory requirements in relation to selection and appointment of the Directors.
- a Director must comply with the eligibility criteria including under Section 164, and where applicable, Section 196 read with Schedule V of the Act.
- An Independent Director must also meet the criteria specified under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the SEBI Listing Regulations.

- An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment subject to 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 consecutive terms, but such Independent Director shall be eligible for re- appointment in the Company as Independent Director after the expiry of three years from ceasing to become an Independent Director in the Company. Provided that such 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. The Committee shall take into consideration all the applicable provisions of the Act and the SEBI Listing Regulations while appointing the Independent Directors.
- The Company may appoint or re-appoint any person as the Managing Director and/or Whole-time Director for a term not exceeding five years at a time. Further, they shall not be reappointed earlier than one year before the expiry of their term.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/SMP shall not be disqualified under the Act, rules made thereunder, or any other enactment for the time being in force.

3.5 Letters of Appointment

Each KMP/ Senior Management is required to sign a letter of appointment, as acceptance of the offer, with the Company containing the terms of appointment and the role assigned in the Company.

4. Evaluation Process for Directors, KMPs and other eligible employees including the Senior Management:

Evaluation of Board of Directors:

- The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance.
- The Company may appoint an external agency to conduct the exercise of evaluation and submit the report / outcome to the Company, in the manner desired by the Company.
- **Key Evaluation Criteria:**
 - Providing effective leadership and strategic guidance to the management
 - Understanding the Business, including the Risks and regulatory landscape
 - Attendance at, and active engagement in the discussion of business performance, competitive landscape and strategies
 - Development and monitoring of leadership teams, Compliance focus and insistence on ethical business practices

- Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.
- Management of conflicts in Board discussion
- Management of Conflict of Interest
- Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.
- The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

Evaluation of KMPs and other eligible employees including the Senior Management:

- MD / CFO shall carry out the performance evaluation of all the SMPs and KMPs [excluding Board members as included above].
- The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Industry, the Company and of the individual KMP / SMP.
- Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.

5. Remuneration:

The guiding principles of remuneration of the Directors, KMP, SMPs and other employees of the Company are as below:

- Remuneration shall be competitive and aligned with industry standards;
- A balanced composition of fixed and variable pay shall be maintained;
- Performance-linked metrics shall be consistent with business objectives;
- Assessment of performance shall include both qualitative and quantitative parameters;
- The structure shall remain adaptable to changes in industry dynamics.
- To ensure that the remuneration of the Directors, KMPs and persons in senior management positions is based and determined on the basis of individual's responsibilities and performance and in accordance with the provisions of the Act and SEBI Listing Regulations.
- The remuneration / compensation / commission etc. to be awarded to the whole-time Directors, KMPs and persons in senior management positions will be determined by the Committee and recommended to the Board for approval.

Remuneration to Directors including Managing Director / Whole-Time Director / Manager (Managerial Personnel)

- The remuneration/ commission etc. to be paid to Managerial Personnel shall be recommended by the Committee and approved in accordance with the provisions of the Act and SEBI Listing Regulations;

- Shareholder approval by way of ordinary or special resolution, as applicable, shall be obtained where remuneration exceeds the prescribed limits under the Act;
- In case of inadequate profits, remuneration shall be paid in accordance with Schedule V of the Act or as approved by the shareholders way of a special resolution;
- Any excess remuneration shall be held in trust until refunded, unless waived by the shareholder through a special resolution;
- Remuneration components may include fixed pay and allowances; performance-based incentives/commission; retirement or statutory benefits; other perquisites and reimbursements of business related expenses. Over and above the remuneration, they may also be eligible for employee stock options or equivalent structures as may be determined by the Committee and recommended to the Board for approval as per the stock option plan approved by the Shareholders in accordance with the applicable provisions of the Act and SEBI Regulations.

Remuneration to Non-Executive Directors / Independent Directors

- Non-Executive Directors / Independent Directors shall be entitled to such sitting fees as may be decided by the Board from time to time for attending the meeting of the Board and of the Committee thereof.
- Non-Executive Directors / Independent Directors shall also be entitled for payment of remuneration / commission as may be recommended by NRC and subsequently approved by the Board of Directors, up to the limits permitted under the Applicable Laws and wherever required approval of the shareholders of the Company shall be obtained from time to time.
- Independent Directors shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- Directors shall be eligible for remuneration of such professional services rendered, if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

Remuneration to KMPs, SMPs, and Other Employees

- Remuneration of KMPs and SMPs shall be reviewed by the Committee and approved by the Board;
- Other employees shall be compensated based on role complexity, skills, experience, and market benchmarks;
- Compensation may consist of fixed pay, variable pay, allowances, retirement benefits, and performance incentives. Over and above the remuneration, they may also be eligible for employee stock options or equivalent structures as may be determined by the Committee and recommended to the Board for approval as per the stock option plan approved by the Shareholders in accordance with the applicable provisions of the Act and SEBI Regulations

6. DISCLOSURE REQUIREMENTS

- The Company shall make necessary disclosures in line of the SEBI Listing Regulations and other applicable laws, to the extent applicable to the company.
- This policy shall be uploaded on the website of the Company i.e. <https://marvellifestyle.com/policies/>.
- The salient features of this policy and any changes made therein in brief along with a weblink to the policy shall be provided in the Board's Report.

7. AMENDMENT:

- Any amendment to this Policy may be carried out with the approval of the Board of the Company.
- In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by Securities and Exchange Board of India/Stock Exchanges, that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s). Such amendments shall be brought to the attention of the Board.
