YUKEN INDIA LIMITED

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NOMINATION AND REMUNERATION POLICY

Approved by the Board of Directors at their meeting held on August 11, 2026

YUKEN INDIA LIMITED ★ Malur-563130 ★

1. INTRODUCTION

The Nomination and Remuneration Policy ("Policy") of **Yuken India Limited** ("Yuken India" or the "Company") has been formulated by the Nomination and Remuneration Committee ("Committee" or "NRC") and approved by the Board of Directors of the Company ("Board") pursuant to the provisions of the Companies Act, 2013 ("Act"), the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), and other applicable laws, regulations and guidelines, as amended from time to time ("Applicable Laws").

This Policy shall govern the criteria and framework relating to appointment, removal, evaluation and remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management of the Company.

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2. OBJECTIVE AND PURPOSE

The objectives and purpose of this Policy are:

2.1 To formulate criteria for determining the qualifications, positive attributes, skills, expertise, experience and independence required for appointment of Directors, including Executive Directors, Non-Executive Directors and Independent Directors.

2.2 To identify and recommend suitable candidates for appointment as Directors, KMP and Senior Management.

2.3 To establish and periodically review succession plans for the Board, KMP and Senior Management to ensure continuity and effective leadership.

2.4 To recommend to the Board policies relating to appointment, removal and remuneration of Directors, KMP and Senior Management.

2.5 To formulate criteria for evaluation of the performance of the Board, its Committees and individual Directors, including Independent Directors.

2.6 To recommend to the Board the remuneration payable to Directors, KMP and Senior Management in accordance with the Applicable Laws and the Company's business requirements.

2.7 To ensure that the remuneration structure is reasonable and sufficient to attract, retain and motivate persons of the quality required to achieve the Company's objectives.

2.8 To ensure that the relationship between remuneration and performance is clear and incorporates appropriate performance benchmarks.

2.9 To ensure an appropriate balance between fixed and variable remuneration, taking into account short-term and long-term performance objectives of the Company.

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2.10 To promote diversity, including diversity of skills, experience, knowledge, perspectives and backgrounds, in the composition of the Board and Senior Management.

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3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

3.1 The Board of Directors shall constitute and reconstitute the Nomination and Remuneration Committee from time to time in accordance with the Applicable Laws.

3.2 The composition of the Committee shall comply with the requirements of Section 178 of the Act, Regulation 19 of the SEBI LODR Regulations and other Applicable Laws.

3.3 The Committee shall comprise such number of Non-Executive Directors and Independent Directors as may be prescribed under the Applicable Laws from time to time.

3.4 The Chairperson of the Committee shall be an Independent Director, as required under Applicable Laws.

3.5 The Company Secretary shall act as the Secretary to the Committee, unless otherwise determined by the Board.

3.6 The Board shall have the power to reconstitute the Committee from time to time.

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4. DEFINITIONS

Unless the context otherwise requires:

a. "Act" means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

b. "Board" means the Board of Directors of Yuken India Limited.

c. "Committee" or "NRC" means the Nomination and Remuneration Committee of the Company constituted by the Board in accordance with the Act and Applicable Laws.

d. "Company" means Yuken India Limited.

e. "Director" means a director of the Company.

f. "Independent Director" means an independent director referred to under Section 149(6) of the Act and the applicable provisions of the SEBI LODR Regulations.

g. "Key Managerial Personnel" or "KMP" shall have the meaning assigned to it under the Act and Applicable Laws, and shall include such persons as may be designated as KMP by the Company in accordance with Applicable Laws.

h. "Senior Management" shall have the meaning assigned to such term under the SEBI LODR Regulations and shall include officers and personnel forming part of the core management team of the Company, excluding the Board of Directors, and such other persons as may be covered under Applicable Laws or identified by the Company in accordance with Applicable Laws.

i. **"Remuneration"** includes salary, allowances, perquisites, benefits, commission, incentives and other monetary or non-monetary benefits payable to Directors, KMP and Senior Management, as applicable.

Words and expressions used but not defined in this Policy shall have the meanings respectively assigned to them under the Act, SEBI LODR Regulations and other Applicable Laws, as amended from time to time.

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5. GENERAL

This Policy is divided into the following three parts:

Part A – Matters to be dealt with and recommended by the Committee to the Board;

Part B – Policy relating to appointment and removal of Directors, KMP and Senior Management; and

Part C – Policy relating to remuneration of Directors, KMP and Senior Management.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE COMMITTEE

The Committee shall deal with, consider and recommend to the Board, inter alia, the following matters:

A. Identification and recommendation of candidates

The Committee shall identify persons who are qualified to become Directors and persons who may be appointed as KMP or Senior Management in accordance with the criteria laid down under this Policy and Applicable Laws and recommend their appointment or removal to the Board.

For this purpose, the Committee may consider candidates identified by the management, shareholders, promoters, professional search firms or other appropriate sources, as considered necessary.

B. Size and composition of the Board

The Committee shall periodically review the size and composition of the Board to ensure:

- an appropriate mix of Executive and Non-Executive Directors;
- adequate representation of Independent Directors;
- an appropriate balance of skills, experience, knowledge and expertise;
- diversity of perspectives and backgrounds;
- effective separation of governance and management functions; and
- compliance with the requirements of Applicable Laws.

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The Committee shall also assist the Board in developing and implementing an appropriate Board diversity framework.

C. Criteria for appointment

The Committee shall formulate and periodically review criteria for determining:

- qualifications;
- skills;
- expertise;
- experience;
- integrity;
- positive attributes; and
- independence

required for appointment of Directors, including Independent Directors.

For appointment of an Independent Director, the Committee shall assess the skills, knowledge and experience required on the Board and recommend a suitable candidate possessing such capabilities.

D. Succession planning

The Committee shall establish and periodically review succession plans for the Board, KMP and Senior Management to ensure continuity of leadership and availability of an appropriate mix of skills, experience and expertise.

E. Performance evaluation

The Committee shall:

i. recommend to the Board appropriate performance evaluation criteria for Directors;

ii. formulate and periodically review the framework for evaluation of the performance of the Board, its Committees and individual Directors;

iii. consider the outcome of performance evaluations while recommending appointment, continuation, remuneration or other matters relating to Directors, wherever appropriate; and

iv. recommend appropriate training and development programmes for Directors, including programmes to familiarise Independent Directors with the Company's business, industry, operations, legal responsibilities and duties.

F. Remuneration framework

The Committee shall review and recommend to the Board:

a. remuneration payable to Managing Director, Whole-time Director and other Executive Directors, including salary, allowances, perquisites, incentives, commission and other benefits;

b. remuneration payable to Non-Executive Directors and Independent Directors, including sitting fees and commission, subject to the limits prescribed under Applicable Laws;

c. remuneration policies applicable to KMP and Senior Management;

d. annual increments, performance-linked remuneration and incentive arrangements;

e. employment terms, service contracts and other compensation arrangements; and

f. such other remuneration-related matters as may be referred to the Committee by the Board.

The Committee shall ensure that the remuneration framework:

- attracts and retains competent personnel;
- is aligned with the Company's business strategy and objectives;
- maintains a clear relationship between performance and remuneration;
- is reasonable and fair;
- is consistent with applicable legal and regulatory requirements; and
- appropriately balances fixed and variable remuneration.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

A. Appointment Criteria and Qualifications

1. General criteria

The Committee shall ascertain the integrity, qualifications, expertise, experience and suitability of the person identified for appointment as a Director, KMP or Senior Management and recommend such appointment to the Board.

The Committee shall have the discretion to determine whether the qualifications, expertise and experience possessed by a person are sufficient and appropriate for the relevant position.

2. Directors

A person proposed to be appointed as a Director should possess appropriate qualifications, experience, expertise, integrity and the ability to contribute effectively to the deliberations and decision-making of the Board.

The Board should collectively possess an appropriate combination of skills and experience relevant to the Company's business, including, as appropriate:

- industry and technical knowledge;
- finance and accounting;

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- legal and regulatory knowledge;
- corporate governance;
- business strategy;
- manufacturing and operations;
- risk management;
- human resources; and
- other areas relevant to the Company's business and future requirements.

3. Independent Directors

In recommending an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and identify the capabilities required for the position.

The candidate recommended for appointment as an Independent Director shall satisfy the independence criteria prescribed under the Act and SEBI LODR Regulations.

The Committee shall also consider the candidate's ability to devote sufficient time and attention to the affairs of the Company.

4. KMP and Senior Management

A person proposed to be appointed as KMP or Senior Management should possess the appropriate qualifications, professional competence, experience, integrity and leadership capabilities required for the relevant position.

The Committee shall consider the Company's business requirements, succession planning, organisational structure and the responsibilities associated with the position while evaluating such appointment.

5. Age and statutory requirements

The appointment or continuation of Directors, KMP and Senior Management shall be subject to the age, tenure, qualification, independence and other requirements prescribed under Applicable Laws.

6. Multiple offices

A whole-time KMP shall not hold office in more than one company except to the extent permitted under Applicable Laws.

A KMP may be appointed as a Director of another company with the approval of the Board, wherever required.

7. Tenure

The term and tenure of Directors, KMP and Senior Management shall be in accordance with Applicable Laws and the relevant terms of appointment, employment contracts and approvals of the Board and shareholders, wherever applicable.

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B. Removal

The Committee may recommend to the Board the removal of a Director, KMP or Senior Management personnel where:

- the person is disqualified under Applicable Laws;
- there is a breach of applicable statutory or regulatory requirements;
- there is a material breach of the terms of appointment or employment;
- performance is consistently unsatisfactory; or
- removal is otherwise considered necessary in the interests of the Company.

Any such recommendation shall be made after considering the circumstances and applicable contractual, statutory and regulatory requirements.

C. Retirement

Directors, KMP and Senior Management shall retire in accordance with the Applicable Laws and the relevant policies and terms of appointment of the Company.

The Board may, subject to Applicable Laws and requisite approvals, continue or retain a Director, KMP or Senior Management personnel beyond the applicable retirement age where such continuation is considered to be in the interests of the Company.

PART – C

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT

A. General

1. Determination of remuneration

The remuneration, compensation, commission or other benefits payable to Directors shall be determined by the Committee and recommended to the Board for approval, in accordance with the Act, SEBI LODR Regulations and other Applicable Laws.

Where shareholder approval or any other approval is required, the same shall be obtained in accordance with Applicable Laws.

2. Executive Directors

The remuneration of the Managing Director, Whole-time Director and other Executive Directors shall be determined having regard to:

- individual qualifications and experience;
- nature and responsibilities of the position;
- performance and contribution;
- performance of the Company;

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- industry and market practices;
- prevailing remuneration levels;
- financial position of the Company;
- applicable statutory limits; and
- long-term interests of the Company.

3. Increments

Increments to the existing remuneration structure of Directors, KMP and Senior Management may be recommended by the Committee to the Board based on individual performance, Company performance, market conditions and other relevant factors.

In the case of Managing Director or Whole-time Director, increments shall remain within the limits approved by shareholders or otherwise permitted under Applicable Laws.

4. Insurance

Where the Company obtains insurance coverage for Directors, KMP or Senior Management for indemnifying them against liability arising in connection with their duties, the premium paid by the Company shall generally not be treated as remuneration.

However, where the individual is proved to be guilty of an act constituting misconduct or otherwise liable under Applicable Laws, the treatment of such premium shall be determined in accordance with Applicable Laws.

B. Remuneration of KMP and Senior Management

The remuneration framework for KMP and Senior Management may comprise the following components, depending upon the position and applicable Company practices:

1. Fixed Pay

Fixed pay shall comprise salary and other fixed components of remuneration payable periodically in accordance with the terms of employment.

2. Performance-linked remuneration

Performance-linked remuneration, where applicable, may be determined with reference to objective and measurable performance parameters, including:

- individual performance;
- achievement of agreed business objectives;
- financial performance;
- operational performance;
- strategic objectives;

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- leadership and organisational contribution; and
- such other performance parameters as may be determined by the Company.

3. Benefits and perquisites

KMP and Senior Management may be provided with benefits and perquisites in accordance with their terms of employment and applicable Company policies.

4. Total remuneration

The total remuneration of KMP and Senior Management shall be designed to appropriately align individual performance with the Company's short-term and long-term objectives while remaining competitive with relevant market practices.

C. Remuneration of Other Employees

The remuneration of employees other than Directors, KMP and Senior Management shall be governed by the Company's compensation and human resource policies, as approved and amended from time to time.

The compensation structure may take into consideration:

- qualifications and experience;
- role and responsibilities;
- individual performance;
- business performance;
- internal equity;
- market benchmarks; and
- applicable Company policies.

D. Minimum Remuneration in Case of Inadequate or No Profits

If, in any financial year, the Company has no profits or its profits are inadequate, remuneration payable to the Managing Director, Whole-time Director, Manager and other Directors shall be determined and paid in accordance with the provisions of the Act, including Schedule V thereto, and other Applicable Laws.

E. Remuneration of Non-Executive Directors and Independent Directors

1. Sitting fees

Non-Executive Directors and Independent Directors may be paid sitting fees for attending meetings of the Board and Committees thereof, within the limits prescribed under Applicable Laws.

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2. Commission

Non-Executive Directors and Independent Directors may be paid commission or other remuneration as may be approved by the Board and shareholders, wherever required, subject to the limits prescribed under the Act and Applicable Laws.

3. Reimbursement of expenses

Directors may be reimbursed reasonable expenses incurred in attending Board, Committee and General Meetings or in connection with legitimate business activities undertaken on behalf of the Company.

4. Independent Directors

Independent Directors shall be remunerated in accordance with Applicable Laws and the Company's approved remuneration framework.

Independent Directors shall not be entitled to stock options or other equity-linked incentives where prohibited under Applicable Laws.

F. Criteria for determining remuneration

While determining remuneration, the Committee and the Board shall consider, as appropriate:

1. the Company's financial position and performance;
2. prevailing remuneration levels in comparable companies and relevant industries;
3. qualifications, experience and expertise of the individual;
4. responsibilities and complexity of the position;
5. individual performance and contribution;
6. retention and succession requirements;
7. long-term business objectives of the Company;
8. internal parity and organisational structure;
9. applicable statutory and regulatory requirements; and
10. such other factors as may be considered relevant by the Committee and the Board.

The remuneration structure shall seek to maintain an appropriate balance between fixed and variable remuneration and between short-term and long-term objectives.

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6. PERFORMANCE EVALUATION

The performance evaluation of Directors, the Board and its Committees shall be undertaken in accordance with the provisions of the Act, SEBI LODR Regulations and the Company's applicable policies.

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The evaluation framework may consider, among other matters:

- participation and attendance;
- contribution to Board deliberations;
- knowledge and understanding of the Company's business;
- strategic contribution;
- compliance with fiduciary responsibilities;
- independence of judgement, in the case of Independent Directors;
- contribution to Board and Committee effectiveness; and
- adherence to applicable governance standards.

The NRC shall consider the results of such evaluations while making recommendations relating to appointment, continuation, remuneration and succession, wherever appropriate.

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7. BOARD DIVERSITY

The Company shall endeavour to maintain an appropriate level of diversity on the Board, having regard to factors including:

- skills;
- knowledge;
- experience;
- professional background;
- industry expertise;
- gender;
- age; and
- other relevant considerations.

The objective shall be to ensure that the Board possesses an appropriate mix of perspectives and competencies necessary for effective governance and decision-making.

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8. SUCCESSION PLANNING

The Committee shall periodically review succession plans for:

- Managing Director;
- Whole-time Directors;
- KMP; and
- Senior Management.

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The succession planning process shall seek to ensure continuity of leadership, preservation of institutional knowledge and availability of suitably qualified personnel for critical positions.

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9. CONFLICT OF INTEREST

The members of the Committee and other persons involved in matters relating to appointment or remuneration shall disclose any actual or potential conflict of interest.

A person having a material conflict of interest shall abstain from participating in the relevant deliberations or decision, to the extent required under Applicable Laws.

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10. CONFIDENTIALITY

All information relating to candidates, remuneration, performance evaluation, succession planning and other matters considered by the Committee shall be treated as confidential and shall be disclosed only to persons authorised to receive such information or where disclosure is required under Applicable Laws.

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11. STATUTORY AND REGULATORY COMPLIANCE

Nothing contained in this Policy shall limit or restrict the Company from complying with any requirement under the Act, SEBI LODR Regulations, rules, regulations, circulars, notifications, guidelines or other Applicable Laws.

In the event of any conflict between this Policy and Applicable Laws, the Applicable Laws shall prevail.

The provisions of this Policy shall be interpreted and applied in a manner consistent with the Applicable Laws.

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12. POLICY REVIEW

12.1 This Policy shall be reviewed by the Committee periodically and whenever there is a change in Applicable Laws or circumstances necessitating modification.

12.2 Any amendment, modification or variation to this Policy shall be recommended by the Committee and placed before the Board for approval.

12.3 In case of any subsequent change in the Applicable Laws resulting in any provision of this Policy becoming inconsistent with such law, the provisions of such Applicable Laws shall prevail and the Policy shall be amended accordingly.

12.4 The Committee and the Board may make such amendments to this Policy as may be necessary to ensure continued compliance with Applicable Laws and the Company's governance requirements.

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13. EFFECTIVE DATE

This Policy shall be effective from **August 11, 2026**, as approved by the Board of Directors of **Yuken India Limited**.