



POLICY ON APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means Mahindra Intertrade Limited (MIL).

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management team of the Company.

“HR” means the Human Resource department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO) and
- (iii) Company Secretary (CS).

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including functional heads.

I. APPOINTMENT OF DIRECTORS

• NRC reviews and assesses Board composition and recommends the appointment of new directors. In evaluating the suitability of an individual Board member, NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of a director as applicable:

1. All Board appointments will be based on merit, in the context of skills, experience, independence and knowledge required for the Board as a whole to be effective.
2. Ability of the candidate to devote sufficient time and attention to professional obligations as an Independent Director for balanced decision making.

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3. Adherence to the Code of Conduct and ensuring the highest level of corporate governance, in letter and in spirit, by Directors.

- Based on NRC's recommendation, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through the Managing Director, will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a director is disqualified as per any applicable Act, or rules and regulations thereunder, or due to non-adherence to the applicable policies of the company, NRC may recommend to the Board, with reasons recorded in writing, removal of a director subject to compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

NRC shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down above.

For administrative convenience, senior management personnel will be appointed or promoted and removed/ relieved with the authority of the Managing Director based on business needs and suitability of the candidate.

Managing Director shall report details of such appointments to NRC at least twice in a year.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure implementation of the strategic business plans of the Company.

Board:

Successors for Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor(s) will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

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Successors for Executive Director(s) shall be identified by the NRC from Senior Management or through external sources as the Board may deem fit.

The Board may also decide at its discretion not to fill a vacancy on the Board.

Senior Management Personnel:

The Company's succession planning programme aims to identify high growth potential individuals, and groom them in order to maintain a robust talent pipeline.

The Company has a process of identifying individuals with high potential and having abilities to hold critical positions. Successors are mapped for such positions in order to ensure talent readiness.

The Company participates in the Mahindra Group's Talent Management process which is driven by a collaborative network of Talent Councils across the Group's various Sectors.

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POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES (Amended vide Board Resolution dated 3rd October, 2022 on the recommendation of the Nomination and Remuneration Committee)

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Intertrade Limited (MIL).

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to Non-Executive Directors, including Independent Directors, whether as commission or otherwise. NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken such as Membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and such other factors as the NRC may deem fit for determining compensation.

The Board shall determine compensation to Non- Executive Directors within the overall limits specified in the Shareholders' Resolution.

#The Non-Executive Chairperson of the Company would be entitled to maintain a chairperson's office at Company's expense, allowed reimbursement of expenses incurred and use of Company's vehicle for business purpose and performance of official duties.

Executive Directors:

The remuneration to Managing Director and Executive Director(s) shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' Resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

Inserted vide Board approval dated 3rd October, 2022, on the recommendation of the Nomination and Remuneration Committee dated 30th September, 2022

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Key Managerial Personnel (KMPs)

The terms of remuneration of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary (CS) shall be determined either by any Director or such other person as may be authorised by the Board.

The above remuneration shall be competitively benchmarked for similar positions in the industry and aligned with their qualifications, experience, and responsibilities. Pursuant to the provisions of section 203 of the Companies Act, 2013, the Board shall approve remuneration of the above KMPs at the time of their appointment.

The remuneration to Directors, KMPs 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.

Employees

We follow a position and level based approach for compensation benchmarking with companies in the steel/ steel service centre and related engineering industries.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the Company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality

Remuneration for new Employees other than KMPs and Senior Management will be decided by HR and approved by the Managing Director, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

The Company may also grant Stock Appreciation Rights to Employees and Directors (other than Independent Directors) in accordance with the Stock Appreciation Rights Scheme of the Company and subject to compliance of the applicable statutes and regulations.

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