

MIDWEST LIMITED

(Formerly Known as Midwest Granite Private Limited)

Nomination and Remuneration Committee - Terms of Reference

The Nomination and Remuneration Committee was constituted by our Board, and the terms of reference were approved by our Board pursuant to resolutions dated September 19, 2024.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

- (a) identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairperson of the Board and the Chief Executive Officer;
- (b) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (c) while formulating the above policy, ensuring that:
 - (i) the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the 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.
- (d) formulating criteria for evaluation of performance of independent directors and the Board;
- (e) devising a policy on diversity of the Board;
- (f) 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, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates;

- (g) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (h) determining 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;
- (i) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;
- (j) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- (k) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- (l) performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- (m) administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
 - (i) determining the eligibility criteria and selection of employees to participate under the ESOP Scheme;
 - (ii) determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - (iii) date of grant;
 - (iv) determining the exercise price of the option under the ESOP Scheme;
 - (v) the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - (vi) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - (vii) the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - (viii) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - (ix) re-pricing of the options which are not exercised, whether or not they have been vested if stock option are rendered unattractive due to fall in the market price of the equity shares;
 - (x) the grant, vesting and exercise of option in case of employees who are on long leave;
 - (xi) the vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;

- (xii) allowing exercise of unvested options on such terms and conditions as it may deem fit;
- (xiii) the procedure for cashless exercise of options;
- (xiv) forfeiture/ cancellation of options granted;
- (xv) arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.
- (xvi) formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - a. the number and the price of the option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - b. for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - c. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (n) construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (o) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- (p) analyzing, monitoring and reviewing various human resource and compensation matters;
- (q) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (r) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- (s) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law.