HD FIRE PROTECT LIMITED

(Formerly known as HD Fire Protect Private Limited)

NOMINATION AND REMUNERATION POLICY

(Approved by the Board of Directors on 11th December 2025)

1. BACKGROUND

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) **(the "Act")**, along with Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (**the "Listing Regulations")**, this Nomination and Remuneration Policy **(the "Policy")** has been formulated by the Nomination and Remuneration Committee **(the "Committee")** and adopted by the Board of Directors. Any subsequent amendment/modification in the applicable statutory provisions shall automatically apply to this Policy.

2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to appoint qualified persons as directors on the Board of the Company ("**Directors**"), key managerial personnel of the Company ("**KMP**"), and in senior management positions in the Company (including personnel of the Company who are members of its core management team excluding Directors, comprising all members of management one level below the executive Directors, including the functional heads), to recommend the remuneration to be paid to them and to evaluate their performance. This Policy provides a framework for:

a) To identify persons who are qualified to become Directors, persons who may be appointed as KMPs and in senior management positions in accordance with the criteria laid down in the Act and the Policy, and recommending to the Board for their appointment and removal and carrying out evaluation of every Director's performance (including independent Directors);
b) To identify and formulate the criteria for determining qualifications, positive attributes and independence of a Director;
c) Recommend to the board, appointment and removal of director, key managerial personnel and senior management personnel;
d) Devise a policy on diversity of board of directors;
e) Determining remuneration of Directors and KMPs and persons in senior management positions, based on factors including the Company's size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry; Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
f) remuneration to Directors, KMP 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
g) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; and
h) To address any other matter as may be required by the Act, Listing Regulations, or any other applicable law.
i) Specifying the manner for effective evaluation of performance of the Board, Directors and committees to be carried out either by the Board, by the Committee (defined below) or by an independent external agency:

i. Assessing the independence of independent Directors;
ii. Providing them rewards, linked directly to their efforts, performance, dedication and achievements relating to the Company's operations;
iii. Retaining, motivating and promoting talent and to ensure long term sustainability of talented persons and create competitive advantage; and

Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Act and rules thereunder and the Listing Regulations, whenever applicable.

3. EFFECTIVE DATE:

This Policy shall be effective from the date of its approval by the Board.

4. DEFINITIONS

a) "**Act**" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

b) "**Board**" means the Board of Directors of HD Fire Protect Limited.

c) "**Company**" means 'HD Fire Protect Limited'.

d) "**Directors**" shall mean Directors of the Company.

e) "**Key Managerial Personnel**" or "**KMP**" means:

In relation to a Company as defined under Section 2(51) of the Act, means and includes:

(i) Chief Executive Officer or the managing director or the manager;

(ii) the Company Secretary;

(iii) the Whole-time Director(s);

(iv) the Chief Financial Officer;

(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 applicable statutory provisions / regulations.

f) "**Policy**" means this Nomination and Remuneration Policy.

g) "**Senior Management**" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise of 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.

h) "**Independent Director**" means a director referred to in Section149(6) of the Act and Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations.

5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Act and Regulation 19(1) of the Listing Regulations, the Nomination and Remuneration Committee ("Committee') of the Company has been constituted as hereunder:

(i) The Board shall determine the membership of the Committee.

(ii) The Committee shall comprise of at least three members, all of whom shall be non-executive directors, and at least two thirds of whom shall be independent directors.

(iii) One of the independent non-executive directors shall be designated by the Board to serve as the Committee's Chairman.

(iv) The chairperson of Committee shall be an independent director.

(v) The Chairperson of the company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee

(vi) The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one independent director in attendance.

(vii) The Committee shall meet at least once in a year.

The Board has the power to constitute / re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirements.

6. APPOINTMENT CRITERIA AND QUALIFICATIONS

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs and others in senior management positions.

b) A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.

The Committee shall determine the suitability of appointment of a Director by assessing the proposed person against a range of criteria which includes but are not limited to:

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle

conflict constructively and the willingness to address issues proactively;

- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Ability to work individually as well as a member of team
- Ability to represent the Company
- Board room conduct
- Communication skills
- Ethics and Values
- Independent Directors to meet the requirements of the Act, read with the Rules made there under as amended from time to time and shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act.

c) The Company shall not appoint or continue the employment of any person as a whole-time Director who is below the age of twenty-one years or has attained the age of seventy years. Provided that a person who has attained the age of seventy years may be appointed or his term may be extended by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

d) Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the Company, the appointment of the person who has attained the age of seventy years may be made

e) The Company shall not appoint or continue the employment of any person as a non-executive Director who has attained the age of seventy-five years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

f) The Committee shall ensure that there are appropriate induction and training programs in place for newly appointed Directors and KMPs.

g) The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company, subject to the provisions of the law and their service contract. Final decision shall rest with the Board and shareholders, as applicable.

h) The Committee shall recommend any necessary changes in the constitution of the Board, KMPs or senior management to the Board.

i) The appointment or re-appointment of a person, including as a managing director or a whole- time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders and in accordance with provision of Act. Provided further that the statement referred to under sub-section (1) of section 102 of the Act, annexed to the notice to the shareholders, for considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a detailed explanation and justification by the Committee and the Board for recommending such a person for appointment or re-appointment.

7. INDEPENDENCE OF DIRECTORS

The qualifications of Independent Directors of the Company shall be decided on the basis of criteria provided under the relevant provisions of the Act including the Companies (Appointment and Qualification of Directors) Rules, 2014 and as envisaged under Listing Regulations. A declaration of independence shall be taken from each of the Independent Directors at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director.

For every appointment of an Independent Director, the 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: (a) use the services of 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.

8. TERM

a) **Managing Director/Whole-time Director/Executive Director:**

i. The Company shall not appoint or employ at the same time a managing director and a manager.

ii. The Company shall not appoint or re-appoint any person as its Chairman & Managing Director or as a whole-time director for a term exceeding five years at a time or as may be prescribed under the Act.

iii. No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

b) Independent Director

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii. 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 the date of cessation of the

previous directorship as 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 Listing Regulations while appointing the Independent Directors.

9. REMOVAL

The Committee may recommend the removal of a Director, KMP, or Senior Management Personnel to the Board on grounds of disqualification under applicable laws or any other justifiable reason, subject to compliance with relevant provisions.

10. REMUNERATION

a) Policy objectives

In discharging its responsibilities, the Committee shall have regard to the following policy objectives:

i. To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;

ii. To attract, retain and motivate competent individuals of the quality required to run the Company successfully;

iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

iv. To plan short and long-term incentives to retain talent;

v. To ensure that any severance benefits are justified;

vi. 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 limits as prescribed statutorily, if any, including that the remuneration to be paid to the Managing Director & Chief Executive Officer ("MD & CEO") and/or whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made there under;

vii. To ensure that individual remuneration packages for Directors, KMPs and other persons in senior management positions are determined after taking into account relevant factors, including but not limited to:

   a. Qualification and experience

   b. Level of engagement in the affairs of the Company,

   c. Market conditions,

   d. Financial and commercial health of the Company,

   e. Practice being followed in comparable companies,

f. Prevailing laws and government / other guidelines.

viii. 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 NRC Committee and recommended to the Board for approval.

ix. Increments to the existing remuneration / compensation structure of other employees including the Functional Heads will be jointly decided by the Managing Director and Head-Human Resources as per the Compensation and Benefits Policy and Performance Linked Variable Pay (PLVP) Policy of the Company.

b. Remuneration Structure

The remuneration structure would normally depend upon the roles and responsibilities as well as the prevailing market practices. In normal circumstances, the remuneration to Directors, KMPs and senior management shall be divided between fixed and variable components and reflect short and long-term performance objectives appropriate to the working of the Company and its goals as required under the provisions of the Act and as envisaged in Listing Regulations.

i. Base Compensation (Fixed Salary): This component of salary is competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to- day activities, usually reviewed on an annual basis. The base Compensation includes salary, allowances and other statutory / non-statutory benefits which are normal part of remuneration package in line with market practices.

ii. Variable Salary: A relevant part of remuneration is payable as variable salary linked to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set in this regard.

iii. Any other component / benefits as may be recommended by the management and approved by the Committee.

11. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND KMP

i. Fixed Salary – The MD and / or Whole-time Directors and KMPs shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders, wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, and other perquisites, shall be decided and approved by the Board on the recommendation of the Committee.

ii. Minimum Remuneration – If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD and / or Whole-time Director in accordance with the provisions of Schedule V of the Act and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

iii. The Committee will recommend the remuneration to be paid to the Executive directors and KMPs to the Board for their approval. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if

they exceed the limits prescribed under the Listing Regulations.

12. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

a) Remuneration – The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Act and the Listing Regulations.

b) Sitting Fees – The non-executive / independent Director may receive remuneration by way of fees for attending meetings of Board or committees of the Board to which they are appointed from time to time thereof. Provided that the amount of such fees shall not exceed the limits prescribed under the Act.

The Board shall recommend all fees or remuneration, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non- executive directors, if made within the limits prescribed under the Act.

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds the limits prescribed under the Listing Regulations.

13. DIRECTORS' AND OFFICERS' INSURANCE

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance shall be recovered from such persons.

14. EVALUATION / ASSESSMENT OF DIRECTORS

The evaluation / assessment of the Directors shall be conducted on an annual basis by the Committee. The following criteria shall assist the Committee in determining how effective the performances of the Directors have been:

i. **Vision and clarity of roles & responsibility:**

The Individual Director should have awareness of fiduciary and statutory requirements and a clearly articulated vision. This includes clarity of role as a member of the Board of the Company.

ii. **Board Processes:**

The quality of board processes such as decision making (i.e. how directors ensure they are well informed to be able to make the decisions in the best interest of the Company and its stakeholders) selection and induction etc.

iii. **Engagement with Management:**

How well the board engages with the management to ensure it is well supported and able

to meet the needs of its members.

iv. **Board dynamics:**

At the heart are the board dynamics. It is the quality of individual relationships and dialogues that directly influences the quality of decision making and relationships with key stakeholders.

v. **Frequency of participation:**

The Individual should make him / her available for attending the Board meetings of the Company and be available for providing his / her guidance and support in case of need.

The Committee shall prepare a performance evaluation report in relation to Independent Directors basis the above criteria and decide whether to extend or cease the term of appointment of the Independent Directors, and accordingly make recommendations to the Board on the basis of such report.

15. DIVERSITY

The Committee shall devise a policy on Board diversity, considering various aspects such as gender, skills, experience, knowledge, age, and cultural background, to ensure a well-rounded and effective Board. The Committee shall ensure that the Board shall have an optimum combination of executive and non- executive directors with at least one-woman independent director and not less than fifty percent of the Board shall comprise non-executive directors in accordance with the Listing Regulations.

16. RETIREMENT

The Directors, KMP or any other person in senior management position, shall retire as per the applicable provisions of the Act and this Policy. The Board will have the discretion to retain any Director, KMP or any other person in senior management position, even after attaining the retirement age, for the benefit of the Company, subject to the provisions of the Act, Listing Regulations and other applicable laws.

17. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be documented and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

18. DISCLOSURES

i. The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

ii. The Company shall submit the requisite disclosures to the Stock Exchanges as prescribed under Listing Regulations from time to time.

iii. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

In case of any subsequent changes in the provisions of the Act or any other regulations,

including the Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Act or such other regulations, such provisions of the Act or such other regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

19. COMMITTEE MEMBERS' INTEREST

A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

20. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

21. VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

22. DISSEMINATION OF POLICY

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company.

23. AMENDMENT

In case of any subsequent changes in the provisions of the Act or Regulations or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws.

Any such amendments shall be disclosed along with the rationale for the same in the Annual Report and on the website of the Company.

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