

Lotus Chocolate Company Limited

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee, *inter alia*, includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of the Directors;
- Devise a policy on Board diversity;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal;
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- Review Human Resource policies and overall human resources of the Company;
- Recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes;
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Review significant labour problems and their proposed solutions;
- Review significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management; and

- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.