



NOMINATION AND REMUNERATION POLICY

CORPORATE POLICIES



Contents

SR. NO.	PARTICULARS	PG. NO.
1	Preamble	1
2	Definitions	1
3	Guiding Principles	2
4	Appointment And Removal Of Director, Kmp And Senior Management	2
5	Provisions Relating To Remuneration Of Managerial Person, Kmp And Senior Management	4



I. PREAMBLE

The Nomination and Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

II. DEFINITIONS

“**Board**” means Board of Directors of the Company.

“**Company**” means “IOL Chemicals and Pharmaceuticals Limited”.

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.

“Committee” shall mean a Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

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

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

III. GUIDING PRINCIPLES

The Policy ensures that

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. Remuneration to Directors, Key Managerial Personnel and Senior Management reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

IV. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment criteria and qualifications:

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- 2) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- 3) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years as per applicable provisions of law.
- 4) The Committee shall make recommendation to the Board on appropriate performance evaluation criteria for the Directors.

2. Term / Tenure:

- 1) **Managing Director/Whole-time Director/Manager (Managerial Person):** The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- 2) **Independent Director:** 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.
 - i. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an 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.
 - ii. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- 3) **Removal:** Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
- 4) **Retirement:** The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

V. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

1. General:

- 1) The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation /commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 1) The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- 2) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs, if any, approved by the Shareholders in the case of Managerial Person.
- 3) Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration

2. Remuneration to Managerial Person, KMP and Senior Management:

- 1) Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- 2) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- 3) Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3. Remuneration to Non-Executive / Independent Director:

- 1) Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- 2) Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- 3) Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

This policy is framed based on the provisions of the Companies Act, 2013 and rules made there under and the requirements of the clause 49 of Listing Agreement with the Stock Exchanges.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any change or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.



Registered Office:

Village & Post Office - Handiaya,
Fatehgarh Channa Road,
Barnala - 148107, Punjab, India.

Email: contact@iolcp.com
Website: www.iolcp.com