

GHARDA CHEMICALS LIMITED

NOMINATION AND REMUNERATION COMMITTEE (NRC) POLICY (in accordance with Section 178 of the Companies Act, 2013)

Policy relating to the remuneration to Directors, Key Managerial Personnel and other Employees

1. Objectives: To have a well-defined policy for compensation to directors, key managerial personnel and all employees, taking into consideration the objectives and long-term goals of the company. The policy strives to implement and review the structure by regular benchmarking which shall be comparable with industry standards and to facilitate a framework for Succession Planning.

The 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 and recommend to the Board their appointment and changes therein.

The Evaluation of the Board and Committees shall be carried out internally by the Board

2. Remuneration:

a) Executive Directors: The remuneration to the Chairman & Managing Director and Executive Director/s shall be recommended by the NRC to the Board. The remuneration consists of fixed and variable compensation and shall be paid by way of salary, commission, bonus, incentives and perquisites as approved by the board and within the overall limits prescribed in the Companies Act and/or as approved by the shareholders.

b) Non-Executive Directors: Remuneration by way of commission as approved by the Board / Shareholders.

c) Key Managerial Personnel, Senior Management and other Employees: The remuneration to KMPs, senior management and other employees 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. The company has a scheme of profit sharing incentives which is distributed to all employees based on a percentage of the annual profits of the company.

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

The compensation package is reviewed annually taking into consideration the following:

1. Age, Qualification and experience
2. Performance, potential and Responsibilities.
3. Key Result Areas (KRA) and Nature of duties
4. Seniority

In addition to the monetary compensation, the company aims to upgrade the employees in career development, quality of life, job satisfaction and recognition.

The NRC shall review the policy as and when required and ensure that:

- a) 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.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) 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) There is a proper framework for Succession Planning.