

**NOMINATION
AND
REMUNERATION POLICY**

of

GHARDA CHEMICALS LTD.

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NOMINATION AND REMUNERATION POLICY:

1. Preamble:

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (the “Act”) as amended from time to time, the Board of Directors of every listed company and public companies having share capital of Rs.Ten crores or more or having turnover of Rs.One Hundred Crores or more or having outstanding loans exceeding Rs. Fifty crores is required to constitute the Nomination and Remuneration Committee (NRC).

2. Objective of this Policy:

In order to comply with the requirements of Section 178 of the Act and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the “Committee”) has been constituted.

Objective of the Policy:

- a) To identify persons who are qualified to become Directors and who may be appointed in the Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and changes therein.
- b) To have a well-defined Policy for compensation taking into consideration the objective and long term goals of the Company and bench marking the remuneration according to industry standards.
- c) To carry out evaluation of performance.
- d) To facilitate a framework for succession planning.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. Definitions:

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“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.

“Key Managerial Personnel” in relation to a Company means:

- i. Managing Director, or Chief Executive Officer or Whole Time Director
- ii. Company Secretary;
- iii. Chief Financial Officer;

“Senior Managerial Personnel” means personnel of the company who are identified as members of its core management team excluding Board of Directors. This would comprise of all members of management one level below the executive directors including all functional heads.

4. Role of the Committee:

- a) The NRC shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- b) The NRC shall, while formulating the policy on remuneration, ensure that;
 - i) 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.
 - ii) Relationship of remuneration to performance is clear and meets appropriate performance bench marks
 - 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.
- c) Policy implementation:
The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

5. Term / Tenure of Directors:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director or Whole Time Director 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.

b) Independent Director:

An Independent Director shall hold office for a term upto 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.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. However during the said period of three year he/she should not be associated with the Company in any capacity whether directly or indirectly.

6. Evaluation:

The Board shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

7. Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

8. Policy for remuneration to Directors/KMP/Senior Management Personnel:

- a) Executive Directors / Whole Time Directors: The remuneration to the Managing Director / Whole Time Directors / Executive Directors 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 shall be recommended by the Board and be paid upon approval of the Shareholders.
The Non-Executive/Independent Director shall be paid sitting fees as determined by the Board for attending meetings of Board or Committee thereof.
- c) Key Managerial Personnel, Senior Management and other Employees: The remuneration of 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 employees based on a percentage of the annual profits of the Company

- d) Remuneration payable to Director for services rendered in other capacity
The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:
- i) The services rendered are of a professional nature; and
 - ii) The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.
- e) The remuneration shall be reviewed annually taking into consideration the following
- Age, qualification and experience
 - Performance, potential and responsibilities
 - Key Result Areas (KRA) and nature of duties
 - Seniority

9. Constitution of the Committee:

- i) The Committee shall consist of at least three directors, all of whom shall be Non- Executive Directors and at least two-thirds shall be Independent Directors.
- ii) The present Members of the Committee are as follows:
 - 1) Dr.Ashish Lele – Chairman
 - 2) Mr.Sharad Upasani – Member
 - 3) Mrs.Almitra Patel – Member
 - 4) Dr.S.Sivaram – Member
 - 5) Mr.Yashwant Bhawe – Member
- iii) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- iv) The Board may alter the constitution of the NRC from time to time as deemed fit.

10. Frequency of Meeting:

The Nomination and Remuneration Committee shall meet at least once a financial year.

11. Secretary / Invitees:

The Company Secretary of the Company shall act as the Secretary of the Committee. The Committee may require the attendance of the Executive Directors and/or other officers of the Company at its meetings as Invitees.

12. Minutes of the Committee Meeting:

Proceedings of all meetings must be maintained in accordance with the provisions of the Companies Act.

This Policy was updated at the Board Meeting dated 4th July, 2025.

Revision History		
Version	Adoption / Revision Date	Revision Description
1	13 th March, 2015	Adopted
2	25 th October, 2021	1 st Amendment
3	4 th July, 2025	2 nd Amendment