

**DORF-KETAL CHEMICALS INDIA
LIMITED**

**NOMINATION AND
REMUNERATION COMMITTEE
(NRC) POLICY**

Nomination and Remuneration (NRC) Policy

1) PREFACE

Title	Nomination and Remuneration (NRC) Policy
Version No.	1
Effective Date	06 th September, 2024
Authorized By	Board of Directors vide resolution dated <u>06th September, 2024</u>
Number of Revision (Since 06th September, 2024)	-
Last Revised Date	-

2) INTRODUCTION

The purpose of the Board Evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony.

The Board acknowledges its intention to establish and follow “best practices” in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time, and increased effectiveness of the Board.

This policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, by the Nomination and Remuneration Committee (NRC) and approved by the Board.

3) OBJECTIVE

To identify persons who are qualified to become Directors (executive and non-executive) and who may be appointed in senior management positions in accordance with the criteria laid down and recommend their names to the Board for appointment or removal. To evaluate skills, knowledge, expertise and experience for the position on the Board or for Key Management Positions and on the basis of such evaluation, prepare a description of the role and capabilities required of a Director or Managing Director & CEO and other Key Management positions. On an ongoing basis, NRC shall evaluate the remuneration that are payable to the Directors, Managing Director & CEO and key management personnel and recommend the same to Committee. While doing this, the NRC shall consider the market trends and compensation levels in similar organisations so as to attract and retain the talent.

4) DEFINITIONS

- a. “**Act**” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. “**Applicable Laws**” means applicable provisions of the Act and the SEBI Regulations.
- c. “**Board**” means the collective body of the directors of the Company.
- d. “**Committee**” or “**NRC**” means the Nomination & Remuneration Committee.
- e. “**Company**” means Dorf-Ketal Chemicals India Limited.

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- f. **“Directors”** means a director appointed to the Board of the Company.
- g. **“Independent Director”** means as provided under Applicable Laws
- h. **“Key Managerial Personnel”** or “KMP” means
 - 1. the chief executive officer or the managing director or the manager;
 - 2. the company secretary;
 - 3. the whole-time director;
 - 4. the chief financial officer
 - 5. 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
 - 6. such other officer as may be prescribed.
- i. **“Policy”** means the Nomination and Remuneration Policy
- j. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by them and includes perquisites as defined under the Income- tax Act, 1961
- k. **“SEBI Regulations”** means the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time
- l. **“Senior Management”** or **“Senior Management Personnel”** or **“SMP”** means as provided under SEBI Regulations

5) ROLE OF NOMINATION AND REMUNERATION COMMITTEE

As per Part D of Schedule II; Regulation 19(4), 20(4) and 21(4)

<u>Sr. No.</u>	<u>Role of NRC</u>
1)	Identify persons who are qualified to become directors or who may be appointed in senior management or other Key Management positions, in accordance with the criteria laid down, and to recommend to the Board their names for appointment or removal
2)	Shall specify the manner for effective evaluation of performance of Governing Board, its committees, individual directors, MD & CEO and KMPs
3)	Shall formulate the criteria for determining qualifications, attributes, diversity and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Managing Director & CEO and other key management personnel
4)	Shall formulate the criteria for evaluation of the performance of public interest directors and the board of directors
5)	Evaluate the skills, knowledge and experience on the Board for every appointment of public interest director 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: <ul style="list-style-type: none"> a. use the services of an external agency, if required; b. consider candidates from a wide range of background, having due regard to diversity; and c. consider the time commitments of the candidates.
6)	Whether to extend or to continue with the term of appointment of a Public Interest director, on the basis of the report of performance evaluation of Public Interest directors
7)	Recommend to the Governing Board, all remuneration, in whatever form, payable to MD & CEO, Senior Management and other KMPs
8)	Identifying a Key management personnel, other than those specifically provided under Depository Regulations
9)	Lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI
10)	Determining the compensation of KMPs in terms of the compensation policy
11)	Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department

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12)	Selection of CEO / Managing Director / Executive Director
13)	Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director, if any

6) GENERAL PRINCIPLES TO BE FOLLOWED BY NRC

- i. NRC shall ensure that due process of appointment, re-appointment and remuneration of a Director, Managing Director & CEO and Key Management Personnel of the Company is followed as applicable under the Companies Act, Depository Regulations or such other law as may be applicable from time to time.
- ii. The NRC may recommend to the Board, with reasons recorded in writing, removal of Director, Managing Director & CEO and Key Management Personnel in accordance with the Companies Act or any other applicable act, rules and regulations, including for contractual breaches. Such removal shall be subject to the provisions and compliance of applicable laws, rules and regulations.
- iii. The NRC may consider the following guidelines for recommending/approving remuneration on case to case basis:
 - a. remuneration should be reasonable and sufficient to attract, retain and motivate the employees to be aligned with the requirements of the Company (taking in consideration the challenges faced by the Company and its future growth imperatives);
 - b. overall remuneration practices should be consistent with industry standards;
 - c. market competitive;
 - d. average levels of compensation payable to employees in similar ranks;
 - e. should not contain any provisions regarding incentives to take excessive risks over the short term;
 - f. based on the role played by the individual in managing the Company, including responding to challenges faced by the Company;
 - g. periodic review; and
 - h. aligned to regulatory requirements.
 - i. Payment to Independent Directors:
An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of sitting fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.
- iv. Where any insurance is taken by the Company on behalf of its Directors, Managing Director & CEO, Key Management Personnel and 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.

7) BOARD DIVERSITY

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While all appointments to the Board are on respective merits, diversity of the Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies. In reviewing and determining the Board composition, the NRC shall consider the merit, expertise, skill, experience, gender and other diversity of the Board. In determining whether to recommend a Director for re-election / re-appointment, the NRC shall also consider the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent evaluation done for the respective Director. The process for evaluation shall be as per Performance Evaluation Policy of the Company.

8) BOARD COMPOSITION:

The Nomination and Remuneration Committee shall consist of at least three non-executive directors as members out of which not less than one-half shall be independent directors. The appointment and removal of the members of the Committee shall be as per the provisions of Companies Act, 2013 and the Rules made there under.

9) MODIFICATIONS & REVIEW OF THE POLICY

The NRC shall review this Policy from time to time. The NRC, when it deems necessary, shall recommend the changes to the Board for its approval. In case of any subsequent changes in the Companies Act or Depository Regulations or any other regulations which makes any of the provisions in this Policy inconsistent with the Companies Act or Depository Regulations, or any other regulations, then the provision of the Companies Act or Depository Regulations or other regulations would prevail over this Policy and the provisions of this Policy would be modified in due course to make it consistent with law.

The Board (including the NRC of the Board) may amend the policy from time to time depending upon the requirements of the provisions of the Companies Act and as per Listing Regulations and Depository Regulations.

10) EVALUATION CRITERIA

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support the achievement of Corporate Goals.

The evaluation criteria for the Board, its Committees and its Directors may be changed at any time by the Board.
