

INDO BORAX & CHEMICALS LIMITED

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read with applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Managerial Personnel has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors.

Definitions:

“Act” means Companies Act, 2013 and rules made thereunder

“Board” or “Board of Directors”, in relation to the company, means the collective body of the directors of the company

“Committee” means the Nomination and Remuneration Committee of the company as constituted or reconstituted by the board

“Key Managerial Personnel” mans:

1. Managing Director, or Chief Executive Officer and in their absence a Whole Time Director
2. Chief Financial Officer
3. Company Secretary, and
4. Such other officer as may be prescribed.

“Senior Managerial Personnel” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all functional heads.

Objective:

To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-Executive) and persons who may be appointed in senior management and Key Management positions and to determine their remuneration.

- To guide the Board in relation to appointment and removal of Director, Key Managerial and Senior Managerial Personnel.
- To determine the remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in industries.
- To carry out evaluation of the performance of the Directors, as well as Key Managerial and Senior Management personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the company's operations.
- To retain, motivate and promote talent to ensure long term sustainability of talented managerial personnel.

Constitution of Committee:

The committee shall consist of minimum three Non-executive directors and majority of them being independent director. Minimum two members shall constitute quorum for the meeting. The constitution and membership shall be disclosed in the Annual Report of the company.

Role of Committee:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. Recommend to board a policy relating to the remuneration of the directors, key managerial and senior managerial personnel.

3. Formulate criteria for evaluation of independent directors and board.
4. Devising policy on board diversity.
5. Recommend to the board appointment, removal of Director, KMP and Senior Management Personnel.
6. Succession planning for replacing Key Executives and overseeing.
7. Any other matter as board may decide from time to time.

Duties of Nomination and Remuneration Committee:

Duties of the committee covers the matters relating to nomination and remuneration of the directors, key managerial and Senior Managerial Personnel of the company.

1. 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 his/her appointment, as per company's policy.
2. A person should possess adequate qualification, expertise and experience for position he/she is considered for appointment. The committee is authority to decide whether qualification, expertise and experience possessed by the person is sufficient/satisfactory for the position.

Term and Tenure

a) Managing Director/Whole time Director:

The company shall appoint or reappoint any person as its Managing Director, Whole time Director or Executive 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 the term.

b) Independent Director :

An independent Director shall hold office for a term of five years on the Board of the Company and will be eligible for re-appointment on passing special resolution by the company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive term of up to maximum of five years each, 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.

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 or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary. The same may however be delegated by the committee.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

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. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- c) Minimum Remuneration to Managing Director/Whole Time Directors:
If, in any financial year, the company has no profits or profits are inadequate, the company shall pay remuneration to its Managing Director/ Whole Time Director in accordance with the provisions of Schedule V the Companies Act, 2013 and if it is not comply with such provisions, with the previous approval of Central Government.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay (bonus), in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

- c) The Incentive pay (bonus) shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Amendment to the Policy:

- The Board of Directors on its own and/ or as per the recommendation of Nomination and Remuneration Committee can amend this policy as when deemed fit.