



NOMINATION AND REMUNERATION POLICY

❖ PREAMBLE

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee (“NRC”) as per the terms and conditions provided in Section 178 of the Companies Act, 2013 and rules framed thereunder (“the Act”) and framed this policy with regard to nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

❖ DEFINITIONS

- a) “Act” means the Companies Act, 2013, Rules framed thereunder and any amendments thereto;
- b) “Board of Director” or “Board”, means the collective body of the Directors of the company;
- c) “Company”, “This Company”, “The Company”, “Company” wherever occur in the policy shall mean “Intas Pharmaceuticals Limited”
- d) “Independent Director” shall mean a Director of the Company who satisfies the criteria for independence under Section 149 of the Act
- e) “Key Managerial Personnel” means means KMP as defined under Sections 2(51) read with 203 of the Act.
- f) “Nomination and Remuneration Committee or committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.
- g) “Policy or This Policy” means, “Nomination and Remuneration Policy.
- a) “Senior Management Personnel” (SMP) shall mean the personnel of the Company who are members of its core management team

❖ OBJECTIVE, FUNCTIONS & ROLES OF NRC:

This Policy is intended to achieve the following objectives:

- (a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive including Independent Directors), Key Managerial Personnel and persons who may be appointed in senior management positions.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- c) To provide framework for remuneration of the Directors, Key Managerial Personnel and align with the Company’s business strategies, values, key priorities and goals.
- d) Ensure that the Board comprises of a balanced combination of Executive Directors, Non-Executive Directors and also the Independent Directors.

- e) Extending or continuing the term of Independent Director, on the basis of report of performance evaluation of independent directors;
- f) Establishing and reviewing succession plans.
- g) Administration of the Employees Stock Option Plans/ Schemes; and
- h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

❖ **APPLICABILITY:**

This Policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent
2. Key Managerial Personnel ("*KMP*")
3. Senior Management Personnel

❖ **THIS POLICY IS DIVIDED IN TWO PARTS:**

- Part A - Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel of the Company
- Part B – Remuneration Policy for Directors, KMPs and Senior Management Personnel

❖ **Part A - Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel of the Company:**

➤ **Directors / KMP / Senior Management Personnel:**

- (a) 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.
- (b) 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.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director 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 with the approval of shareholders by passing a special resolution in general meeting.

➤ **Independent Directors**

- (a) Pursuant to the requirement under Section 149 of the Act, 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 shareholders of the Company.
- (b) 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.

Principal criteria for selecting an independent director are that he/she:

- must have considerable experience at senior levels in business, industry, professions, government or industry/ finance related institutions in India and/or other countries; and
- has no conflict of interest, including any material or pecuniary interest, except for remuneration received as approved by law and/or shareholders;
- has the ability to evaluate and advise on strategy and business of the Company
- has the ability to challenge and evaluate performance of the management, financial performance, and risks in the business
- has the ability to relate and advise on the effects of macro level economic, industrial and political environment and developments, including government policies, on the Company's affairs and management of its business.

➤ **Senior Management Personnel and KMP and Other Employees**

The Company has specific job descriptions for the various positions in the Organization Structure. The job descriptions detail the minimum qualifications and experience requirements of the specific position, including for KMP and other Senior Management Personnel, which commensurate with the size of its business and the nature and complexity of its operations. These positions will be filled internally as well as by lateral hiring. Any new recruit in the Company is to match the requirements prescribed for the position.

❖ **Part B – Remuneration Policy for Directors, KMPs and Senior Management Personnel**

➤ **Remuneration Policy for MD, ED, KMPs & Senior Management Personnel:**

The Managing Director/Executive Director, KMPs and Senior Management Personnel receive basic salary, allowances and other perquisites and performance based remuneration/ incentives as may be decided by them mutually. The Company policy is that remuneration should be fair and reasonable and should be reflective of market competitiveness so as to attract the best talent. The following are the guiding factors:

- The scope of duties, the role and nature of responsibilities
 - The level of skill, knowledge, experience, local factors and expectations of individual
 - The Company's performance, long term strategy and availability of resources
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully;
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
 - Remuneration 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.
- (a) The remuneration of Managing Director/ Executive Director and KMPs are determined and reviewed by Nomination and Remuneration Committee, while the HR department reviews the remuneration of other employees.
- (b) Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Act shall be subject to the approval of the Shareholders' and pursuant to the requirements provided under the Act/ rules framed thereunder.

➤ **Provisions relating to remuneration of Non- Executive / Independent Director(s):**

- The amount of sitting fees shall be subject to ceiling/ limits as provided under the Act and rules made thereunder or any other enactment for the time being in force and as decided by the Board from time to time.
- The Non-Executive/ Independent Director(s) may also receive remuneration / compensation commission etc. as per criteria/limit thereof prescribed under the Act, and rules made thereunder.
- Non-Executive Directors may also receive stock options or entitled for stock appreciation rights programme. Limits shall be set for the maximum number of stock options that can be granted to Non-Executive Directors in any financial year and in the aggregate. However Independent Directors shall not be entitled to any stock option.

- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Act shall be subject to the approval of the Shareholders' and pursuant to the requirements provided under the Act/ rules framed thereunder.

The overall remuneration to all Directors shall not exceed 11% of the net profits of the respective financial year and the remuneration and / or commission to the Executive and Non- Executive Directors/ Independent Directors shall be paid in accordance with the approval of the shareholders. The sitting fees to Non-Executive Directors/ Independent Directors shall not be part of the overall remuneration under this Para.

III. Evaluation

- Pursuant to Section 178 of the Act, NRC is required to carry out evaluation of performance of every Directors.
- Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act provides that the Independent Directors shall at its separate meeting review performance of non-independent directors, Chairperson of the Company and the Board as a whole.
- The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.
- Disclosure in Board Report a statement indicating the manner in which formal annual evaluation of the performance has been made of Board, its Committees and of individual Directors.

The evaluation will be done on following parameters:

- Role is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
- Constructive participation in the proceedings of the Board, Committees and shareholders meetings;
- Subject expertise, skills, bahaviour, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;
- Ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
- Evaluation and advice relating to the Company's performance, both financial and commercial;
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
- Contribution to enhance overall brand image of the Company;

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall annually review the performance of the each and every Director. Based on the rating of performance the Board can decide to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating.

❖ **INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Act as amended from time to time.

In case of any inconsistency between the provisions of law and the Policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the NRC and their decision in such a case shall be prevail.

❖ **DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

❖ **REVIEW AND AMENDMENT OF THE POLICY**

The NRC shall monitor and periodically review the Policy and recommend the necessary changes to the Board for its approval.

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

❖ **DISCLOSURES**

The Company shall make the necessary disclosures of the policy in the Board' Report as required under the Act.
