

RODEC PHARMA LIMITED

**(FORMERLY KNOWN AS RODEC PHARMA PRIVATE LIMITED
AND PRIOR TO THAT RODEC PHARMACEUTICALS PRIVATE LIMITED)**

**Regd. Office: F-46, Pankaj Central Market I.P Extension, Patparganj, New Delhi - 110092
Corporate Office: C-2 Site-3, Meerut Road Industrial Area, Ghaziabad-201001, Uttar Pradesh**

NOMINATION AND REMUNERATION POLICY



NOMINATION AND REMUNERATION POLICY

1. PURPOSE:

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has to constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management.

As per Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee 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.

In compliance with the requirements set out in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of **Rodec Pharma Limited ('the Company')** has formulated this Nomination and Remuneration Policy ('Policy') in order to set out criteria for remuneration of Directors, Key Managerial Personnel and other employees of the Company.

2. OBJECTIVES:

The broad objective of this Policy, as per Section 178 is to 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.

This policy is framed:

- i. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- iii. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- iv. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.



- v. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- vi. To promote and develop a high-performance workforce in line with the Company strategy.
- vii. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive / Independent / Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- viii. To determine the remuneration based on the Company's size and financial position and practices in the industry.

3. DEFINITIONS:

"Act" means Companies Act, 2013 and rules framed thereunder as amended from time to time.

"Board of Directors" or **"Board"**, in relation to the company, means the collective body of the Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" means Rodec Pharma Limited.

"Managerial Personnel" means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013.

"Policy" or **"This policy"** means Nomination and Remuneration Policy.

"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.

"Independent Director" means a Director referred to in Section 149(6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed

"Senior Management" mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive



officer/managing director/whole time director/manager and shall specifically include company secretary and chief financial officer.

Employee of a grade of Vice-President and above level shall be deemed to be within the purview of Senior Management.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Board shall determine the membership of the Committee. The Committee shall comprise of at least three members, all of whom shall be Non-Executive Directors, and at least 2/3 of whom shall be Independent Directors. One of the Independent Non-Executive Director shall be designated by the Board to serve as the Chairman of the Committee. The Company Secretary shall act as the secretary for Committee meetings.

Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director and the participation of the members by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.

The Committee shall meet at least once in a year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being.

Presently, the Nomination and Remuneration Committee comprises of following Directors:

Mr. Achal Kapoor	Chairperson	Independent Director
Ms. Nikita Sinha	Member	Independent Director
Ms. Preeti	Member	Independent Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

The role of the NRC, inter-alia, includes the following:

- To formulate criteria for determining qualifications, positive attributes and independence of Directors.



- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

5. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- 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 is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM/ TENURE

- a) **Managing Director/Whole-time Director:**



The Company shall appoint or re-appoint any person as its Managing 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 term.

Non-Executive Chairman can be appointed by the Company for any number of years.

b) Independent Director:

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 Company and disclosure of such appointment in the Board's report.

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.

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 evaluation of the Directors shall be made as per broad criteria made under the Board Evaluation Policy framed in this regard.

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.

6. 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.

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, if any, and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d) Subject to the applicable laws, 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, 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 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.

7. IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- Company shall disclose the remuneration policy and evaluation criteria in its Annual Report.

