



## NOMINATION AND REMUNERATION POLICY

### INTRODUCTION:

The Nomination and Remuneration Policy applies to Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees of the Company.

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

### DEFINITION

**"Act"** shall mean the Companies Act, 2013 read with the relevant Rules framed thereunder and amended from time to time.

**"Board of Directors"** or **"Board"** shall mean the Board of Directors of the Company.

**"Company"** shall mean Jagsonpal Pharmaceuticals Limited.

**"Director"** shall mean a Director of the Company.

**"Independent Director"** shall mean a Director of the Company who satisfies the criteria for independence under Section 149 of Companies Act, 2013 read with Regulation 16 of the Listing Regulations.

**"Key Managerial Personnel (KMP)"** means KMP as defined under Section 2(51) of the Act read with Regulation 2(o) of the Listing Regulations.

**"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

**"Nomination and Remuneration Committee/ Committee"** means the Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Act read with Regulation 19 of the Listing Regulations.

### NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company (the Board) shall constitute the committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which, two third of the Directors shall be independent directors. The Chairman of the Committee shall be an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. The NRC shall meet at least once in a year and the quorum for the meeting of



NRC shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

#### **OBJECTIVE:**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling responsibilities.
- To Implement and monitor policies and processes regarding principles of corporate governance.

#### **APPLICABILITY:**

- Directors (Executive and Non-Executive)
- Key Managerial Personnel includes:
  - a Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary; and
  - such other officer as may be prescribed.

Senior Management Personnel- means *officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or*



*Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include **the functional heads**, by whatever name called and the Company Secretary and the Chief Financial Officer.”*

### **Appointment Criteria and Qualifications:**

- 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.
- 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.
- The Company shall not appoint a person or continue the directorship of any person as a:
  - Independent Director or Executive Directors who has not completed the age of 21 years;
  - Managing director or whole-time director who has attained the age of 70 years; non-executive director who has attained the age of 75 years.

However, with approval of the Members as special resolution, the Company may appoint or continue the term of Executive Directors who has attained the age of 70 years and non- executive director who has attained the age of 75 years.

### **2. Term / Tenure:**

- Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director until he himself shows his unwillingness to hold the position.
- Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company with the approval of **shareholders** by way of a special resolution.

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.

### **3. Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).



#### **4. Removal:**

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **5. Retirement:**

The Directors, 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 in 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.

#### **Nomination Standards:**

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board, KMPs and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management Personnel in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board.
- Considering any other matters as may be requested by the Board.



### **Fixation of Remuneration Criteria:**

Remuneration payable to Executive Directors shall be determined by the Committee based on the integrity, qualification, expertise and experience of such Director and recommended to the Board for approval. The remuneration payable to Executive Directors is further subject the provisions of the Act and approval of Shareholders.

Non-Executive Directors are paid remuneration by way of sitting fees for attending each Board and Committee Meetings.

The Company pays sitting fees for attending meeting of the Board and Committees to Non-Executive Directors within the limits prescribed under the Act.

Commission, if any, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with the Act).

An Independent Director shall not be entitled to any stock option and may receive remuneration by way of fees provided under Section 197 of the Act, re-imbursement of expenses for participation in the Board and other meetings and profit related commission, if any, as may be approved by the members of the Company.

Remuneration to KMP and SMP comprises of fixed pay and variable pay components.

The Committee may grant employee stock options to the Executive Directors (other than Promoter Directors), identified KMP and SMP under the various ESOP schemes.

The Nomination and Remuneration Committee Policy is effective from 5th September, 2016 subject to any further amendment and modification, if desire necessary.

| Version   | Approval Date | Effective from    |
|-----------|---------------|-------------------|
| Version 1 |               | September 5, 2016 |
| Version 2 | May 23, 2023  | May 23, 2023      |