



“DHAMPUR BIO ORGANICS LIMITED”

***“NOMINATION, REMUNERATION AND BOARD DIVERSITY
POLICY”***

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1. BACKGROUND:

The objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel(KMPs), Senior Management and other employees of the Company in compliance with Section 178 of the Companies Act, 2013 read along with Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

The remuneration payable to Directors shall be governed by the ceiling limits specified under section 197 of the Companies Act, 2013.

Part – D of Schedule II of Listing Regulations also mandates the Nomination and Remuneration Committee to devise a policy on diversity of the Board of Directors of the listed entity.

2. OBJECTIVES:

This Policy is framed to fulfill the following objectives through its Nomination and Remuneration Committee (the Committee):-

- a. To formulate criteria for determining qualifications, positive attributes and independence of a director.
- b. To ensure fair and reasonable remuneration mechanism for the directors, key managerial personnel and other employees
- c. To ensure diversity on the Board of Directors of the Company.

3. SELECTION AND NOMINATION OF DIRECTORS:

To nominate an individual for appointment as Director on the Board of Directors of the Company, the Committee shall ensure the following:-

- a. The individual is a person of integrity and possesses relevant expertise and experience.
- b. The individual is available to commit sufficient time to discharge the duties of a director.
- c. The individual should meet the compliance requirements prescribed under the Act, the Listing Regulations and other Rules & Regulations or standards set out by the Company.
- d. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board.
- e. In case of appointment of an independent director, the individual meets the prescribed criteria for appointment of Independent directors.

4. SELECTION AND NOMINATION OF KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT:

The Company has a well-defined and structured recruitment process for Key Managerial Personnel and Senior Management. The appointment of KMPs shall be approved by the Board of Directors on recommendation from the Committee.

5. REMUNERATION OF EXECUTIVE DIRECTORS:

The remuneration of Executive Directors including Managing Director and Whole-time Directors is governed by the recommendation of Nomination and Remuneration Committee and then approved by the Board subject to approval of the Shareholders.

The Company may pay remuneration by way of fixed components i.e. salary, benefits, perquisites, allowances and/or variable components i.e. commission to its Managing Director and Executive Directors within the prescribed limits in the Act.

The Nomination and Remuneration Committee will determine the annual variable pay compensation in the form of annual incentive and annual increment for the Executive Directors based on Performance evaluation of individual Director as well as Company.

Executive Directors will not be paid sitting fees for any Board/Committee meetings attended by them.

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS (INDEPENDENT AND NON-INDEPENDENT NON EXECUTIVE DIRECTORS):

Non-Executive Directors are paid remuneration by way of Sitting Fees and/or Commission. The remuneration/commission/compensation to the Non-Executive Directors will be recommended by Nomination and Remuneration Committee and then decided by the Board subject to approval of the Shareholders and subject to applicable conditions of Listing Regulations.

Where the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to Non-Executive Directors, the approval of the shareholders in the manner specified in applicable laws/regulations shall be obtained.

The sitting fee payable to the Non-Executive Directors for attending the Board and Committee meetings shall be fixed subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.

In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

7. REMUNERATION TO KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT/OTHER EMPLOYEES:

The remuneration policy for other senior management employees including Key Managerial Personnel aims at attracting, retaining and motivating high caliber, talent and ensures equity, fairness and consistency in rewarding the employees.

Remuneration of employees vary for different employee grades and responsibilities handled, potentials, etc. as per the policy of the Company.

Remuneration of senior management shall be recommended by the committee to the Board.

8. BOARD DIVERSITY:

The Committee shall ensure that a transparent board nomination process is in place which is based on merit.

The Committee shall encourage diversity of thought, skills, experience, background, knowledge, ethnicity, perspective, age and gender.

The Committee shall ensure that the Board has adequate independence in person as well as in its decisions.

This Committee shall assess issues of diversity of the Board from time to time.

9. POLICY REVIEW:

This policy shall be reviewed from time to time so that the policy remains compliant with the applicable legal requirements.
