

INDIA GELATINE & CHEMICALS LTD.

Nomination & Remuneration Policy

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1. Introduction

India Gelatine & Chemicals Ltd. (“the Company”) is based on the principles of performance, equitableness and competitiveness. This Nomination & Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.

This Policy is based on the requirements of Section 178 of the Companies Act, 2013 and Regulation 19(4) & 20(4) read with Schedule II, PART D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and has been recommended by the Nomination and Remuneration Committee to the Board of Directors and approved by the Board of Directors of the Company

This Policy applies to the Board of Directors, Key Management Personnel (KMPs) and Senior Management Personnel of the Company.

2. Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of the directors, KMPs and Senior Management Personnel and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of performance of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vi. Identify whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation.

3. Definitions:

- “**Act**” means the Companies Act, 2013
- “**Board**”:-Board means Board of Directors of the Company.
- “**Director**”:-Directors means Directors of the Company as defined under Section 2(34) of the Companies Act, 2013

- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time in accordance with the provisions of Companies Act, 2013 and LODR.
- **“Company”**:- Company means India Gelatine & Chemicals Ltd.
- **“Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of LODR.
- **“Key Managerial Personnel”**, means :
 - the Chief Executive Officer or the Managing Director or the Manager;
 - the Company Secretary;
 - the Whole-Time Director;
 - the Chief Financial Officer; and
 - such other officer as may be prescribed under the Companies Act, 2013.
- **“Senior Management”** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

4. Guiding Principles

The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company:

- 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, KMPs and Senior Management Personnel 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.

5. General

This Policy is divided in five parts:

- ❖ Part-A covers criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors.
- ❖ Part-B covers Induction and Training of Directors.
- ❖ Part-C covers Performance Evaluation of Board, its Committees and Directors including Independent Directors.

- ❖ Part-D Remuneration of Directors, KMPs and Senior Management Personnel.
- ❖ Part-E covers Board Diversity.

6. PART – A

Criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors.

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position and are in accordance with the provisions of the Act and Regulation 16(1)(b) of LODR.
3. The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with LODR.
4. The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act read with LODR.

7. PART – B

Induction and Training of Directors

- I. On appointment, Directors shall receive a Letter of Appointment setting out in detail, the terms of appointment, duties, roles and responsibilities. Each newly appointed Director will be taken through a formal induction programme.
- II. The induction process should be designed to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc.
- III. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
- IV. The Company may organize site visits for Directors from time to time

8. PART-C

I. Need for adopting performance evaluation criteria

The need of adoption of performance evaluation criteria was felt by board of directors of INDIA GELATINE & CHEMICALS LTD in pursuant to Regulation 19(4) & 20(4) of SEBI (Listing

Obligation & Disclosure Requirement) regulations, 2015. Nomination & Remuneration Committee has identified & adopted following criteria for performance evaluation of independent directors & the board of directors of the Company.

The evaluation will be performed on Annual basis & will be disclosed in Annual Report of the Company.

II. An indicative list of factors upon which evaluation of performance can be conducted

1. Participation & contribution by a director.
2. Number of meetings attended.
3. Commitment (includes guidance provided to senior management outside of board/committee meetings)
4. Effective management of relationship with stakeholders.
5. Effective deployment of knowledge & expertise.
6. Integrity & maintenance of confidentiality.
7. Impact & influence.

III. Implementation & Monitoring of performance evaluation process

The Nomination and Remuneration Committee in consultation with Board may be responsible for implementation of evaluation of performance.

9. PART-D

Remuneration of Directors, KMPs and Senior Management Personnel

- a) The remuneration of the Executive Directors, KMPs and Senior Management Personnel should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract retain and motivate the aforesaid persons.
- b) The Non-executive directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof.
- c) The KMPs shall be paid remuneration approved by the Board of Directors. The Senior Management Personnel shall be paid remuneration in line with the Company's policy.
- d) Increments in the existing remuneration of Executive Directors and KMPs shall be approved the Committee within the limits prescribed under the Act. Increments in the remuneration of Senior Management Personnel shall be as per Company's policy.

10. PART-E

I. NEED FOR THE POLICY

- A. The need for the policy was felt by the board of directors ("Board") of INDIA GELATINE & CHEMICALS LTD for the following reasons:

1. Economic: Board diversity helps bring in diverse thoughts and ideas at the Board level and thereby ensures that the board achieves better decision making and governing abilities.
 2. Ethical: Board diversity ensures that the customers, employees and all other stakeholders of the company are adequately represented at the board level.
 3. Regulatory: The listing agreement entered into by the Company with the stock exchanges require the company to have a board diversity policy. Further one of the key function of the Board is “Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board”.
- B. In order to achieve the aforesaid multiple objectives, the Board has formulated this Policy on Board Diversity to provide direction and guidance to the nomination and remuneration committee while identifying suitable candidates to at the board level as and when required.

II. KEY STRANDS OF BOARD DIVERSITY

- A. The Board believes that board diversity needs to be achieved by having a proper balance of directors from each of the following backgrounds (“Strands”)
1. Age/Experience
 2. Gender
 3. Culture or Belief
 4. Nationality
 5. Knowledge and Skills

III. POLICY STATEMENT

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as a necessity for maintaining competitive advantage. Diversity at the Board level is an essential element in supporting the attainment of Company’s strategic objectives and its sustainable and balanced growth. The Board of the Company should comprise of directors representing various Strands of diversity.

IV. MEASURABLE OBJECTIVES FOR ACHIEVING BOARD DIVERSITY

- A. The Board shall comprise of at least one woman director always.
- B. The Board shall endeavour to have at least one member at the board level having experience of working in companies core business activities.
- C. The Board shall continue to always have at least one member having knowledge and exposure in the field of finance/accountancy/taxation and who is suitably qualified.

- D. At least one third of the Board shall at all times comprise of independent directors having an industry background of any field and also having experience of being an independent director on the boards of other well-known companies.

V. IMPLEMENTATION AND MONITORING

- A. The Nomination and Remuneration Committee while identifying and recommending board candidates shall make best efforts to achieve the objectives of the stated factors.
- B. Selection of candidates will be based on a consideration of balance of diversity Strands. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

11. APPLICABILITY OF THE REMUNERATION POLICY

This Remuneration Policy shall apply to all future appointments of Directors, KMPs and Senior Management Personnel

12. AMENDMENT

Any modification / amendment in this Remuneration Policy may be carried out by the Board on the recommendation of the Nomination and Remuneration Committee. This policy will be subject to change as per amendment in the Companies Act, 2013, LODR, or any other applicable Rules, Regulations and Guidelines.

13. DISSEMINATION

The key features of this Policy shall be published in the Annual Report and uploaded on the website of the Company in accordance with the Companies Act 2013 and LODR.