

TRIOCHEM PRODUCTS LIMITED

MANUFACTURERS OF ETHICAL PHARMACEUTICAL PRODUCTS



Regd. Office : 4th Floor, Sambava Chambers, Sir P. M. Road, Fort, Mumbai - 400 001.
Tel. : 00 91 (22) 4082 8100 | Fax : 00 91 (22) 4082 8181 | E-mail : info@amphray.com
Corporate Identity Number : L24249MH1972PLC015544

TRIOCHEM PRODUCTS LIMITED

POLICY ON APPOINTMENT & EVALUATION OF BOARD OF DIRECTORS, KMP'S

AND SENIOR MANAGEMENT PERSONNEL

Triochem Products Limited always ensures and maintains the appropriate balance of skills, experience and knowledge in the board so as to enable the board to discharge their functions and duties effectively.

Board consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders are promoted and protected.

The Company has already constituted Nomination and Remuneration Committee (hereinafter "the Committee") which shall be responsible for formulating the criteria for appointment of Independent Director and evaluate the performance of every Director on the Board and recommend to the Board remuneration for Directors, Key Managerial Personnel and other Senior Management Personnel.

1. APPOINTMENT, LETTER OF APPOINTMENT & EVALUATION OF INDEPENDENT DIRECTORS

1.1. APPOINTMENT

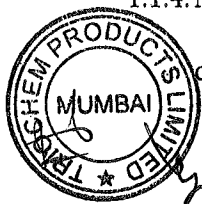
The Committee shall consider the following factors while appointing a person as an Independent Director on the Board:

1.1.1. Integrity and relevant expertise and experience.

1.1.2. Requisite qualification so that he/she will exercise his/her role effectively.

1.1.3. Have an expert knowledge in field of the Company where the company operates and shall provide his/her suggestions to the Board members of the Company to arrive at final decision which is in the best interest of the Company.

1.1.4. Not be a promoter or related to promoter of the Company or its holding, subsidiary or associate company;



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1.1.5. Must not have any material or pecuniary relationship during the two immediately preceding financial years or during the current financial year with the Company, its holding, subsidiary or associate company or their promoters or directors.

1.1.6. The relatives of such person should not have had any pecuniary relationship with the Company or its subsidiaries amounting to 2% or more of its gross turnover or total income or Rs. 50 lacs or such higher amount as may be prescribed, whichever is less, during the two immediately preceding financial years or in the current financial year;

1.1.7. He or his relatives must not:

1.1.7.1. Hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.

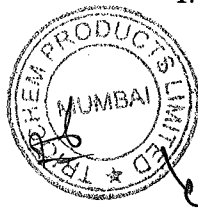
1.1.7.2. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, or;

1.1.7.2.1. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

1.1.7.2.2. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

1.1.7.3. holds together with his relatives two per cent or more of the total voting power of the company; or

1.1.7.4. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its



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holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company; or

1.1.8. Such person who is proposed to be appointed as Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

1.1.9. is not a material supplier, service provider or customer or a lessor or lessee of the company;

1.1.10. is not less than 21 years of age

1.1.11. Other important factors to be considered while appointment of Independent Directors are as follows:

1.1.11.1. The candidate understands the financial statements like balance sheet, profit and loss account, and statement of cash flows.

1.1.11.2. The candidate shall not be disqualified under section 164, sub-section (1) and (2) of the Companies Act, 2013.

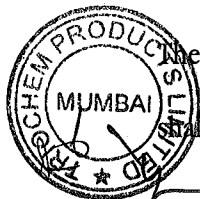
1.1.11.3. The candidate shall give his/her declaration as provided in section 149(7).

1.1.11.4. The candidate appointed as an Independent Director shall be eligible to be re-appointed for a further period of 5 consecutive years, after the completion of his/her tenure of first 5 years, subject to Board's approval and the passing of a Special Resolution by Shareholders.

1.1.11.5. The terms and conditions of appointment shall be disclosed on the website of the Company.

1.2. LETTER OF APPOINTMENT

The appointment of Independent Directors shall be formalized through a Letter of Appointment which shall set out the following:



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1.2.1. The term of appointment.

1.2.2. The expectation of the Board from the appointed director; the Board-level committees in which the Director is expected to serve and its tasks

1.2.3. The fiduciary duties that come with such an appointment along with accompanying liabilities

1.2.4. Provision for Directors and Officers insurance, if any.

1.2.5. The Code of Business Ethics that the Company its directors and employees to follow

1.2.6. List of actions that a Director should not do while functioning as such in the company and

1.2.7. The remuneration mentioning periodic fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any.

1.3. EVALUATION

An annual performance evaluation of an Independent Director shall be carried out by all other Directors at the end of the financial year in the form of questionnaire mentioned herein below:

1.3.1. Is the attendance of non-executive Independent directors at meetings satisfactory?

1.3.2. Do the non-executive Independent directors show willingness to spend time and effort learning about the company and its business?

1.3.3. What has been their contribution to the development of (i) Strategy and (ii) risk management

1.3.4. How effectively have they followed up matters about which they have expressed concern?

1.3.5. How good are their relationship with other board members, the company secretary and senior management?

1.3.6. Are they up-to-date with the latest developments in areas such as the Corporate Governance framework and financial reporting and in the industry and market conditions?

1.3.7. How well do they communicate with other board members, senior management and others? (e.g. shareholders)



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1.3.8. Can they present their views convincingly, yet diplomatically?

1.3.9. Do they participate in discussion related to Internal Audit report Cost Audit report and Secretarial Audit Report?

2. APPOINTMENT OF EXECUTIVE DIRECTORS

2.1. CRITERIA FOR APPOINTMENT

The following persons shall be not eligible to be appointed as Executive Director (Managing Director & Whole-time Director) if:

2.1.1. He is disqualified to act as a Director under the provisions of Section 164(1) and other applicable provisions, if any, of the Companies Act 2013. If the disqualification is subsequently removed, then the said person shall be eligible to be appointed as Executive Director.

2.1.2. He does not satisfy requirements as prescribed in Part I of Schedule V of the Companies Act, 2013.

But the person who does not meet the criteria prescribed in Part I of Schedule V, can be appointed as Executive Director if the approval of Central Government is taken.

2.2. EVALUATION

An annual appraisal/ evaluation of Executive Directors namely Managing Director and Wholetime Director shall be carried out by all the other Directors of the Company. The annual evaluation shall be carried out in the form of questionnaire as mentioned herein below, to be circulated among other Directors except the Executive Director being evaluated.

2.3. RELATIONS WITH THE BOARD OF DIRECTORS

2.3.1. Communicates necessary information openly and honestly in a timely and organized fashion.

2.3.2. Establishes and maintains positive and effective working relationships with each member and each committee of the Board.

2.3.3. Conforms to Board policies and directives.



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2.3.4. Synthesizes information and frames issues and questions in a manner for the board to make appropriate decisions

2.3.5. Makes periodic reports to the Board regarding all important aspects of the organization's

2.3.6. Functions and operations, highlighting both achievements and areas of concern.

2.4. PROJECT MANAGEMENT & DEVELOPMENT

2.4.1. Develops implements and supervises projects that are consistent with the organization's mission and strategic plan.

2.4.2. Develops implements and supervises programs and services that meet the needs of the organization's constituents and the community.

2.4.3. Ensures ongoing program supervision and training for all program staff.

2.4.4. Maintains a system of quality program record-keeping and documentation of all activities.

2.4.5. Encourages and supports all staff in updating their skills and knowledge.

2.5. FUNDS MANAGEMENT

2.5.1. Oversees development of and works with the Board to finalize the annual organizational budget.

2.5.2. Oversees the preparation of regular reports to the Board regarding the financial condition and fiscal operation of the organization.

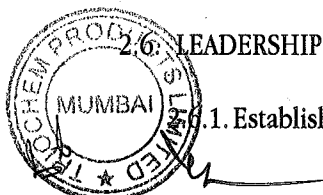
2.5.3. Ensures that the Company has been in compliant with the applicable accounting standards and Companies Act, Listing Agreement entered in to with Stock Exchanges.

2.5.4. Oversees the development and management of all fundraising strategies as agreed upon by the Board.

2.5.5. Oversees development and execution of a long range fund raising and resource development plan.

2.6. LEADERSHIP

2.6.1. Establishes and maintains positive and effective working relationships with all staff.



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2.6.2. Models behaviors and attitudes which promote individual responsibility, programmatic and professional excellence and creative initiative.

2.6.3. Facilitates teamwork and collaboration.

2.6.4. Encourages innovative thinking and solutions and effectively incorporates the ideas and contributions of others.

2.6.5. Demonstrates an ability to foresee problems and utilize preventive problem solving strategies.

2.7. REMUNERATION PAYABLE TO EXECUTIVE DIRECTOR

2.7.1. Whether the remuneration to Executive Director is as per benchmark (prepare a benchmark of companies of similar type and kind of remuneration package they are offering for members of the Board of Directors?

2.7.2. Whether remuneration proposal complies with the size and complexity of the Company's operation and meets performance benchmark?

2.7.3. Whether the remuneration consists of fixed and variable component and same reflects long term and short term objectives appropriate to working of the Company and its goals?

2.7.4. Whether Performance linked incentives also forms part of remuneration payable to executive Directors?

2.7.5. Whether the remuneration package of individual directors summarized under major groups such as salary, benefits, bonuses, stock options, pension, etc?

2.7.6. Whether the details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees, etc. are considered?

2.7.7. Whether shares are issued at discount and details of Stock option as well as the period over which accrued and over which exercisable?



2.8. COMPLIANCE TO ETHICS & LAW

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2.8.1. Ensures that the organization conducts all business at the highest standard of integrity and ethics.

2.8.2. Ensures that the organization, its staff and its programs operate in compliance with all applicable local, state and central laws and regulations.

3. APPOINTMENT & EVALUATION OF SENIOR MANAGEMENT PERSONNEL & KMP - CFO & CS.

3.1. RELATIONSHIP WITH THE MANAGING DIRECTOR / CEO / BOARD.

3.1.1. Conforms to Board policies and directives.

3.1.2. Makes periodic reports to the Managing Director / CEO regarding all important aspects of the business unit/ department functions and operations, highlighting both achievements and areas of concern.

3.2. REMUNERATION

3.2.1. Whether the remuneration to KMPs and Senior Management Personnel's in sync with the industry standards.

3.2.2. Whether remuneration proposal complies with the size and complexity of the Company's operation and meets performance benchmark

3.2.3. Whether the remuneration consists of fixed and variable component and same reflects long term and short term objectives appropriate to working of the Company and its goals

3.2.4. Whether Performance linked incentives also forms part of remuneration payable to KMPs (CS & CFO).

3.3. COMPLIANCE TO ETHICS & LAW

3.3.1. Ensures that the particular unit/department which the KMP / Senior Management heads, conducts all business at the highest standard of integrity and ethics.

Ensures that the business unit, its staff and its programs operate in compliance with all applicable local, state and central laws and regulations applicable to that particular department.



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4. SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

The independent directors of the company shall hold at least one meeting in a year:

The independent directors in the meeting shall, inter-alia:

- 4.1. review the performance of non-independent directors and the Board as a whole;
- 4.2. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 4.3. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTOR

The Company shall familiarize the Independent Directors with their roles, responsibilities, rights, nature of the business in which the Company operates, etc. through various programs. The details of such familiarization programs shall be disclosed on the website of the Company and a web link thereto shall also be given in the Annual Report.

For Triochem Products Limited

Ramu S. Deora

Director & CEO

DIN: 00312369

Date: 30th March, 2015

