

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 NOMINATION AND REMUNERATION POLICY

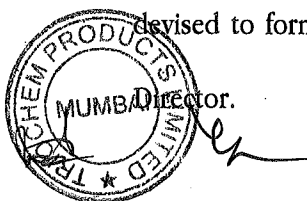
INTRODUCTION

The Company considers human resources as its invaluable assets, pay's equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, harmonizes the aspirations of human resources consistent with the goals of the Company.

Pursuant to provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors.

1. OBJECTIVE AND PURPOSE OF THE POLICY

- 1.1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 1.2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- 1.3. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- 1.4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the policy has been devised to formulate criteria for determining qualifications, positive attributes and independence of a



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1.6. To make 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.

1.7. To develop a succession plan for the Board and to regularly review the plan.

1.8. To devise a policy on Board diversity.

2. MEMBERSHIP

2.1. The Committee shall consist of a minimum 3 non-executive directors; at least half shall be independent.

2.2. Minimum two (2) members shall constitute a quorum for the Committee meeting.

2.3. Membership of the Committee shall be disclosed in the Annual Report.

2.4. Term of the committee shall be continued, unless terminated by the Board of Directors.

3. CHAIRMAN

3.1. Chairman of the Committee shall be an Independent Director.

3.2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

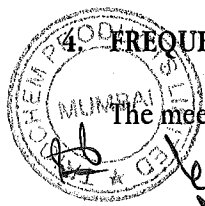
3.3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

3.4. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

The scope and terms of reference of the Nomination and Remuneration Committee was broadened by the Board of Directors in order to align the scope and terms of reference with requirements of the Companies Act, 2013 & Listing Agreement (as may be amended from time to time)

4. FREQUENCY OF THE MEETING

The meeting of the Committee shall be held at such regular intervals as may be required.



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5. DEFINITIONS

- 5.1. Board means Board of Directors of the Company.
- 5.2. A director means Directors of the Company.
- 5.3. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 5.4. Company means **Triochem Products Limited**
- 5.5. Independent Director means a director referred to in Section 149(6) of the Companies Act, 2013.
- 5.6. Key Managerial Personnel (KMP) means-
 - 5.6.1. Executive Chairman and / or Managing Director;
 - 5.6.2. Whole-time Director;
 - 5.6.3. Chief Financial Officer;
 - 5.6.4. Company Secretary;
 - 5.6.5. Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 5.7. Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

6. APPLICABILITY

The Policy is applicable to

- 6.1. Directors (Executive and Non-Executive)



Key Managerial Personnel

Senior Management Personnel

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7. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING

8.1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

9. GENERAL

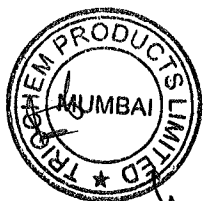
9.1. This Policy is divided in three parts:

9.1.1. Part – A covers the matters to be dealt with and recommended by the Committee to the Board,

9.1.2. Part – B covers the appointment and nomination and

9.1.3. Part – C covers remuneration and perquisites etc.

9.2. The key features of this Company's policy shall be included in the Board's Report.



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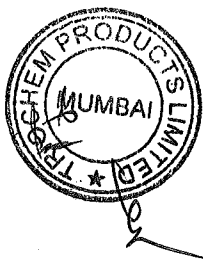
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PART - A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. 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.
3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.



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PART - B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment criteria and qualifications

- 1.1. 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.
- 1.2. 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.
- 1.3. 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.

2. Term / Tenure

2.1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, 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.

2.2. Independent Director

- 2.2.1. 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.



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2.2.2. No Independent Director shall hold office for more than two consecutive terms, 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

2.2.3. 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.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel, annually

4. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, 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

Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain



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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.



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PART - C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

1. General

- 1.1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 1.2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
- 1.3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Director/Managing Director. Increments will be effective from 1st October in respect of a Whole-time Director and 1st April in respect of other employees of the Company.
- 1.4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel

The Committee shall consider the following factors in the course of its decision



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- 2.1.1. What is the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;
- 2.1.2. What is the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;
- 2.1.3. What is the percentage increase in the median remuneration of employees in the financial year;
- 2.1.4. What is the number of permanent employees on the rolls of company;
- 2.1.5. An explanation on the relationship between average increase in remuneration and company performance;
- 2.1.6. A comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;
- 2.1.7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- 2.1.8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
- 2.1.9. Key parameters for any variable component of remuneration availed by the directors;
- 2.1.10. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and
- 2.1.11. Payment of remuneration as per the remuneration policy of the Company.

2.2. Fixed pay

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up



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of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2.3. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

2.4. Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3. Remuneration to Non- Executive / Independent Director

3.1. Remuneration / Commission

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

3.2. Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One

lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.



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3.3. Commission

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013

3.4. Stock Options

Other than Independent Directors, all the KMPs shall be entitled to stock option of the Company.

For Triochem Products Limited

Ramu S. Deora

Director & CEO

DIN: 00312369

Date: 30th March, 2015

