

NOMINATION & REMUNERATION POLICY

This Nomination and Remuneration Policy of Punjab Chemicals and Crop Protection Limited was approved by the Board of Directors (Board) at their Meeting held on 29.05.2014 and amended by the Board on 30.05.2016 by revising composition of the Committee and by inserting point no. (xiv) Of terms of reference and further amendment by the Board on 29.05.2018 by revising composition of the Committee.

Introduction:

The Philosophy of the Company is that human resources are the greatest asset of the Company.

The endeavor of the management has always been to create world class human resources and inculcate belongingness towards the Company. The employees should work in harmony, understand the importance of every work and create the work culture which is adoptable and acceptable at all levels.

Responsibility:

The responsibility to implement this work culture lies with the top level management.

In view of the aforesaid philosophy and in compliance to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors have constituted the "**Nomination and Remuneration Committee**", (hereinafter referred to as the "Committee") to oversee the Company's nomination process for the top level management. The Committee has to specifically identify, screen and review individuals qualified to serve as the Executive Directors, Non-Executive Directors and Independent Directors, consistent with criteria approved by the Board and to

recommend for approval to the Board, nominate for election at the Annual General Meeting of shareholders.

To fulfill the objective of creating, preparing policies of the top level management and retaining the good, efficient and professional human resources, the committee shall oversee the appointment of Key Managerial Personnel and senior management level including the appointment of personnel one level below the Key Managerial Personnel.

The Committee shall ensure that remuneration so paid to them is reasonable and sufficient to attract, retain and motivate the employees.

The committee shall also co-ordinate and overview the annual self evaluation of the performance of the Board and of individual Directors in the governance of the Company.

Another important responsibility of the committee is to create a sound succession planning of the senior leadership, vital for the robust future of the Company. Therefore, the committee has to adopt a rigorous process to ensure that the Board selects the right candidates for the senior leadership positions.

Review of Policy:

The policy is to be reviewed by the Board to ensure it remains consistent with Board's objectives and responsibilities.

Publication of Policy:

A copy of this policy is available at the website of the Company (www.punjabchemicals.com). This policy is to be made available to the shareholders of the Company upon request.

The present composition of the Committee and terms of reference are appended herewith.

(Vijay Rai)
Chairman
Nomination and Remuneration Committee
Punjab Chemicals and Crop Protection Ltd.

NOMINATION AND REMUNERATION COMMITTEE**Composition:**

In Compliance to the Companies Act, 2013 (hereinafter referred to as "Act") and the Listing Agreement, the Board of Directors in its meeting held on 29th May, 2014 changed the name of the Remuneration Committee by renaming it as "Nomination and Remuneration Committee" (hereinafter referred to as the "Committee"). This Committee comprises of the following Directors:

1. Shri Vijay Rai : Chairman & Member
Independent Director of the Committee
2. Shri M.D. Patel : Member of the
Independent Director Committee
3. Shri S.P. Singh : Member of the
Independent Director Committee
4. Smt. Aruna R. Bhinge : Member of the
Non-Independent Director Committee

As per the Act, the members of the Committee shall be Non-Executive Directors and at least half of them shall be independent.

Terms of Reference:

The Terms of Reference of the Committee shall, interalia, include the following:

- i) To finalise the criteria for determining qualification, experience, positive attributes and independence of persons who are qualified to become Directors (Executive and Non-Executive), Key Managerial

Personnel and at Senior Management level and to recommend to the Board their appointment and / or removal.

- ii) To carry out evaluation of performance of Directors, as well as Key Managerial and Sr. Management Personnel.
- iii) To establish the criteria and process to assist the Board and each of its Committees in their performance evaluations.
- iv) To determine Remuneration for the Directors, Key Managerial Personnel and other senior officers based on the Company's size, financial position and trends and practices on remuneration prevailing in peer companies especially in the manufacturing industry.
- v) To recommend for the rewards linked directly to their efforts, performance, dedication and achievements relating to the Company's operations.
- vi) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vii) To recommend/review remuneration of the Managing Director and Executive Directors based on their performance and defined assessment criteria.
- viii) To make recommendations to the Board, as appropriate, for the service conditions of the Key Managerial Personnel and other senior officers.
- ix) a) To develop the process and recommend to the Board for approval of CEO (Managing

Director) and Succession Plan (“the succession plan”).

- b) To review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for executive positions and recommend to the Board any change, if required under the Succession Plan.
- x) To meet at least once in a year, in conjunction with other Committee meetings and Board Meetings. Additional meetings of the Committee can be held from time to time as determined by the Board or the Chairman of the Committee, if so requested by any member of the Committee.
- xi) To administer, monitor and formulate detailed terms and conditions of the Employees’ Stock Option Scheme as and when the Company comes with the scheme and to recommend:
 - a) The quantum of options to be granted under Employees’ Stock Option Scheme per employee and in aggregate;
 - b) The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - c) The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
 - d) The specified time period within which the employee shall exercise the vested options in

the event of termination or resignation of an employee;

- e) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - f) The procedure for making a fair and reasonable adjustment to the number of options.
 - g) The granting, vesting and exercising of options in case of employees who are on long leave, and the procedure for cashless exercise of options.
- xii) A member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his or her performance is being evaluated.
 - xiii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
 - xiv) To change the composition of the Committee from time to time and place the new composition or any new term of reference on the website of the Company after approval of the Board.
