

NOMINATION AND REMUNERATION POLICY OF LASA SUPERGENERICS LIMITED

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company has already constituted Nomination & Remuneration Committee comprising of three Non-Executive Independent Directors as members of the Committee as required under Listing Regulations.

INTRODUCTION

The Company considers Human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and other employee has been formulated in terms of provisions of Companies Act 2013 and the Listing obligations and Disclosures Requirement 2015 in order to pay equitable remuneration to directors and KMP and employees of the Company and to harmonies the aspirations of Human recourses Consistent with the goals of the Company.

OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- (d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

APPLICABILITY:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel;
- d) Other Employees

DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed thereunder as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company.

“**Independent Director**” means Director appointed in terms of Section 149 of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means:

- ❖ Chief Executive Officer or the Managing Director or the Manager,
- ❖ Company Secretary,
- ❖ Whole-time Director,
- ❖ Chief Financial Officer and
- ❖ Such other officer as may be prescribed.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- (a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- (b) To recommend to the Board, a policy relating to remuneration for Directors, Key Managerial Personnel, Senior Management and other employees as may be deem fit by the Board of Directors from time to time;
- (c) To formulate criteria for evaluation of Independent Directors and the Board;
- (d) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy;
- (e) To recommend to the Board the appointment and removal of Directors and Senior Management;
- (f) To carry out evaluation of every Director’s performance;
- (g) Ensure that level and composition of remuneration is reasonable and sufficient;
- (h) Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (i) Ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management 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;
- (j) To devise a policy on Board diversity;
- (k) To decide whether to extend or continue term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors
- (l) To perform such other functions as entrusted by the Board of Directors or as may be necessary or appropriate for the performance of its duties.

POLICY ON THE MATTERS TO BE DEALT WITH AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The following matters shall be dealt with by the committee:

(1) Size and Composition of the Board

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspective skills, in the best interests of the Company as a whole.

(2) Directors

Formulate the criteria determining qualifications, positive attributes and independence of a director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will best compliment the Board.

(3) Succession plans

Establishing and reviewing Board and Senior Management succession plans to ensure and maintain an appropriate balance of skills, experience and expertise, on the Board and Senior Management.

(4) Evaluation of performance

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(5) Board Diversity

The Committee to assist the Board in ensuring that diversity of gender, thought, experience, knowledge, and perspective is maintained in the Board nomination process, in accordance with the Board Diversity policy.

(6) Remuneration framework and policies

The Committee is responsible for reviewing and making recommendations to the Board on:

- a) The remuneration of Managing Director, Whole-Time Director and Key Managerial Personnel;
- b) The total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board Committees;

- c) The remuneration policies for all the employees and Key Managerial Personnel, Senior Management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts, having regard to the need to :
 - i) Attract and motivate talent to pursue the Company's long term growth;
 - ii) Demonstrate a clear relationship between executive compensation and performance; and
 - iii) Be reasonable and fair, having regard to the best governance practices and legal requirements.
- d) The Company's equity-based incentive schemes, including a consideration of performance thresholds and regulatory and market requirements;
- e) The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- f) The Company's remuneration reporting in the financial statements and remuneration report.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

(1) Appointment Criteria and Qualifications

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment;
- (b) 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 are sufficient / satisfactory for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole Time Director or manager, who is below the age of twenty one years or 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

(a) Managing Director / Whole-time Director / Executive Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time 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.

At the time of appointment of Whole Time Director it should be ensured that number of Boards on which such Director serves is restricted to three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed from time to time.

(b) Independent Director:

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.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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.

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 or such other number as may be prescribed from time to time.

(3) Evaluation

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval.

(4) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

(5) Retirement

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

Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY ON CONSTITUTION AND OPERATIONS OF THE COMMITTEE:

MEMBERSHIP:

- (1) The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them being Independent.
- (2) Minimum two members shall constitute a quorum for the Committee meeting.
- (3) Membership of the Committee shall be disclosed in the Annual Report & updated on the website of the company.
- (4) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON:

- (1) Chairperson of the Committee shall be an Independent Director.
- (2) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (3) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- (4) Chairperson of the Nomination and Remuneration Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS:

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

COMMITTEE MEMBERS' INTERESTS:

- (1) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (2) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be appropriately recorded in the Minutes Book and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

SECRETARY:

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

DUTIES IN RELATION TO NOMINATION MATTERS:

The duties of the Committee in relation to nomination matters include:

- ❖ Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ❖ Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- ❖ Identifying and recommending Directors who are to be put forward for retirement by rotation;
- ❖ Determining the appropriate size, diversity and composition of the Board;
- ❖ Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- ❖ Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- ❖ Making 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;
- ❖ Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- ❖ Recommend any necessary changes to the Board; and
- ❖ Considering any other matters, as may be requested by the Board from time to time.

DUTIES IN RELATION TO REMUNERATION MATTERS:

The duties of the Committee in relation to remuneration matters include:

- ❖ Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- ❖ Approving the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- ❖ Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- ❖ Considering any other matters as may be requested by the Board from time to time.

REVIEW AND AMENDMENT

1. The NRC or the Board may review the policy as and when it deems necessary.
2. This policy may be amended or substituted by the NRC Committee of the Company as and when required and also by the Compliance Officer where there is any statutory change in the Companies Act 2013 or any other act necessitating the change in the policy. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.
