

BAL PHARMA LIMITED
NOMINATION AND REMUNERATION POLICY

The Board of Directors of BAL PHARMA LIMITED (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on 11.08.2014 consisting of three (3) Non-Executive Directors, of which majority are Independent Directors as required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

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 of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f) To devise a policy on Board diversity.
- g) To develop a succession plan for the Board and to regularly review the plan.

2. DEFINITIONS:

1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. Board means Board of Directors of the Company.

3. Directors mean Directors of the Company.

4. Key Managerial Personnel means

☒ Chief Executive Officer or the Managing Director or the Manager;

☒ Company Secretary;

☒ Whole-time director;

☒ Chief Financial Officer;

☒ such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

☒ such other officer as may be prescribed

5. Senior Management shall mean officers/personnel of the company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

3. ROLE OF COMMITTEE:

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

a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b) formulation of criteria for evaluation of performance of independent directors and the board of directors;

c) devising a policy on diversity of board of directors;

d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

f) recommend to the board, all remuneration, in whatever form, payable to senior management.

4. MEMBERSHIP:

a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

- b) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN:

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) 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 Composition of the committee is:

Sl. No.	Name	Category	Designation
1.	Mr. H S Venkatesh	Independent Director	Chairman
2.	Dr. C V Srinivas	Independent Director	Member
3.	Ms. Nicola Neeladri	Independent Director	Member

6. FREQUENCY OF MEETINGS:

The Nomination and Remuneration committee shall meet at least once in a year.

7. COMMITTEE MEMBERS INTERESTS:

- a) 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.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY:

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

9. VOTING:

- a) 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.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES:

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

- ☒ Ensuring that there is an appropriate induction & training programme 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 Companies Act, 2013;
- ☒ Identifying and recommending Directors who are to be put forward for retirement by rotation.
- ☒ Determining the appropriate size, diversity and composition of the Board;
- ☒ Setting a formal and transparent procedure for selecting new Directors for appointment to 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;

11. REMUNERATION DUTIES:

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

- to consider and determine 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 to approve 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;
- to delegate any of its powers to one or more of its members or the Secretary of the Committee;
- to consider any other matters as may be requested by the Board;
- Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee within the prescribed time as per Companies Act, 2013. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.
