



# **POCL ENTERPRISES LIMITED**

## **REMUNERATION POLICY**

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### 1. PREFACE

- i. Section 178 (3) of the Companies Act, 2013 provides that *“The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy, relating to the remuneration for the directors, key managerial personnel and other employees”*.
- ii. Under these circumstances, the Nomination and Remuneration Committee of the Board of Directors of POCL Enterprises Limited (**“the Company”**), proposes to formulate a Remuneration Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

### 2. POLICY OBJECTIVES

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

### 3. APPLICABILITY

The Remuneration Policy applies to the (i) Directors viz. Executive, Non-Executive and Independent Director (ii) Key Managerial Personnel (iii) Senior Management Personnel and (iv) Other Employees of the Company. The Remuneration Policy shall also apply to all future/ continuing employment/ engagement with the Company.

### 4. QUALIFICATION OF DIRECTORS INCLUDING INDEPENDENT DIRECTORS

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- 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.

- Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV to the Act and rules framed thereunder including the norms of the Listing Agreement

#### **5. POSITIVE ATTRIBUTES OF DIRECTORS INCLUDING INDEPENDENT DIRECTORS**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the commodity chemicals industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

#### **6. CRITERIA FOR APPOINTMENT OF KMP AND PERSONNEL AT SENIOR MANAGEMENT**

##### **A person shall be appointed as a KMP or at Senior Management if,**

- He/She possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- He/She is capable of practicing and encouraging professionalism and ensuring transparent working environment.
- He/She is competent to build teams and carry the team members along, for achieving the goals and objectives and Company's mission.

## **7. REMUNERATION OF EXECUTIVE DIRECTORS**

- The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee and subsequently, the Board approves and adopts the same and wherever necessary forwards the same for the approval of the shareholders in the General Meetings of the Company.
- Executive Directors remuneration is evaluated annually against performance and a benchmark of Commodity Chemicals Company, which in size and function are similar to the Company.
- The Committee ensures that a significant proportion of Executive Directors remuneration is structured so as to link rewards to corporate and individual performance. In determining packages of remuneration, the Committee may consult with the Managing Director/Whole-time Director as appropriate.
- The total remuneration of Managing Director/Whole-time Director shall, *inter alia*, consist of Basic Salary, House Rent Allowance, Conveyance Allowance, Medical Allowance, Special Allowance, Medical Reimbursement for self and family members, Bonus, Leave Travel Allowance, Electricity Expenses, Utility Expenses, House Maintenance, Books & Periodicals.
- In addition, they shall also be entitled to contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity, Encashment of unavailed leave at the end of tenure and Reimbursement of any out of pocket expenses incurred by Directors while discharging their functions/duties on behalf of the Company.

## **8. REMUNERATION OF NON-EXECUTIVE DIRECTORS**

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees. The Articles of Association of the Company have entrusted the Board of Directors of the Company to decide the remuneration payable to the Non-Executive Directors of the Company within the limits permissible under the Companies Act, 2013 and Rules framed thereunder for each meeting of the Board of Directors or Committee Meetings attended by them.

## **9. REMUNERATION OF KMP, PERSONNEL AT SENIOR MANAGEMENT AND OTHER EMPLOYEES**

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including employer's contribution to Provident fund, Pension Scheme, Medical Expenses, club fees etc. shall be as per the Company's HR policies.

## **10. GUIDING PRINCIPLES**

The Guiding Principles for the Remuneration Policy shall be as under:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No Director/ KMP/ Other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

## **11. DISSEMINATION**

Details of Policy including information relating to the remuneration of Directors and KMP shall be disclosed in the Annual Report as part of Board's Report.

## **12. AMENDMENT TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deem fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail and the Policy shall stand automatically amended from the effective date as laid down under such amendment(s), clarification(s) and circular(s).

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