

FERMENTA BIOTECH LIMITED

NOMINATION AND REMUNERATION POLICY

Introduction:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company's Board has formulated this Nomination and Remuneration Policy ("Policy").

Effective Date:

This Policy shall be effective from September 24, 2014.

Objectives:

The objectives of this Policy are as follows:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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.

Definitions:

- "Act" means Companies Act, 2013 and Rules framed there under.
- "Board" means Board of Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company" means Fermenta Biotech Limited (CIN: U99999MH1986PLC134021)
- "Director" means member on the Board.
- "employees" means individuals on the payroll of the Company.
- "Key Managerial Personnel (KMP)" means:

- (i) Chief Executive Officer, Managing Director, Manager;
 - (ii) Company Secretary;
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer;
 - (v) such other officer as may be prescribed, from time to time under the Act.
- “Senior management” means personnel of the Company who are members of its core management team excluding Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.

Matters to be recommended by the Committee to the Board

The Committee shall:

- Identify persons who are qualified to become Director including Independent Director and persons who may be appointed as KMP and Senior management personnel in accordance with the criteria laid down in this Policy and recommend their appointment to the Board.
- Appointment (including remuneration) and removal of Director, KMP and Senior management personnel.

Criteria for appointment of Director / KMP / Senior management.

The Company shall take into account following points, while proposing the appointment of Director / KMP / Senior management personnel:

- (i) The proposed Director / KMP / Senior management personnel must have relevant qualification, experience and expertise for the concerned position. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (ii) The proposed Director / KMP / Senior management personnel should possess the highest personal and professional ethics, integrity and values.
- (iii) The proposed Director (including Independent Director)/ KMP shall meet the criteria as prescribed under the Act and has furnished necessary declarations / consent as may be prescribed therein.

- (iv) The proposed Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- (v) In addition, the proposed KMP / Senior management personnel shall also possess: (a) Strong analytical and excellent communication skills; (b) collaborative and flexible style, with a strong service mentality; (c) Leadership skills – ability to lead and motivate a team, supervise them and provide / suggest regular progress reviews and plans for improvement.

Appointment and Remuneration of Directors:

The Independent Directors of the Company shall be entitled for sitting fees for attending meetings of the Board and Committee(s) Meetings either personally or through video conferencing or any audio visual means or teleconference, as may be approved by the Board.

Based on the performance of the Company, the Committee may recommend payment of profit related commission to Non-Executive Directors as per limits laid down in Act, subject to approval of the Board and shareholders of the Company.

The Independent Directors shall not be entitled to any stock option of the Company.

The Company shall pay remuneration by way of salary, perquisites, allowances and Variable pay to Managing Director / Executive Director / Whole-time Director ('Executive Director'). The Committee shall review the performance of the Company and the Executive Director and may recommend the annual increment effective 1st April each year, for the approval of the Board. Remuneration including annual increment, if any, shall be paid within the limits of the Act and/or range approved by the Shareholders of the Company.

The remuneration paid to the Executive Director is determined keeping in view of the benchmark of the similar industry and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company's policy as applicable to other employees.

The tenure of Directors (including Executive Directors and Independent Directors) shall be as per provisions of the Act.

Appointment and Remuneration of KMP / Senior management and other employees of the Company

The remuneration of KMP, Senior management and other employees shall largely consist of basic salary, perquisites, statutory benefits allowances and performance incentives (Variable pay). Perquisites and retirement benefits shall be paid according to the Company's policy, subject to prescribed statutory ceiling.

The components of the total remuneration shall be governed by the industry pattern / benchmark, qualification and experience of each employee.

The annual Variable pay of managers including KMPs and Senior management shall be linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

Directors' and Officers' (D & O) Liability Insurance

Where any D & O Liability insurance policy is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc., the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
