



NOMINATION AND REMUNERATION POLICY

OF

GUJARAT PETROSYNTHESE LIMITED

The policy is provided herewith pursuant to the provisions of Section 178(4) of the Companies Act, 2013 and the Regulation 19 of Security and exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Duly approved by the Board of directors at its meeting held on February 11, 2022)

1. PRELUDE AND LEGAL FRAMEWORK

This, Nomination and Remuneration Policy of Gujarat Petrosynthese Limited, (hereinafter referred to as "The Policy") has been formulated in accordance with the provisions of Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time. The Policy outlines the role of the Nomination and Remuneration Committee and the Board of Gujarat Petrosynthese Limited in inter-alia determining the criteria for Board membership, approve and recommend compensation packages and policies for Directors and Senior Management and lay down the effective manner of performance evaluation of the Board, its Committees and the Directors.

The Nomination and Remuneration Committee of Gujarat Petrosynthese Limited will be a Board Committee. Following shall be the broad responsibilities of the Nomination and Remuneration Committee:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- To formulate criteria for evaluation of Independent Directors and the Board.
- Evaluation of balance of skills, knowledge and experience currently the Board of Directors of company has.
- To formulate roles and responsibilities of the Independent Director on the basis of skills and experience of Independent Directors.
- To determine the composition of the Board based on the need and requirements of the Company from time to time;
- To Identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To Recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To Carry out evaluation of performance of each Director;
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- 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.
- To carry out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time.
- Perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.
- The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.

This Policy is divided into 3 parts:

- **Part – A** covers matters to be dealt with and recommended by the Committee to the Board;
- **Part – B** covers appointment and nomination; and
- **Part – C** covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

2. DEFINITIONS

- a. **“Act”** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. **“Applicable Laws”** means applicable provisions of the Act and the SEBI Regulations.
- c. **‘Board’** means Board of Directors of the Company.
- d. **‘Directors’** means directors of the Company.
- e. **‘Committee’** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- f. **‘Company’** means Gujarat Petrosynthese Limited.
- g. **‘Independent Director’** means an independent director referred to in clause (vi) of sub-section (6) of Section 149 of Companies Act, 2013 and Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. **‘Key Managerial Personnel (KMP)’** defined under Companies Act, 2013, as amended from time to time.

Note: As per Section 2(51) Key Managerial Personnel means

- I. Managing Director or Chief Executive Officer or manager
 - II. Company Secretary;
 - III. Whole-time Director
 - IV. Chief Financial Officer;
 - V. 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
 - VI. Any other person as defined under the Companies Act, 2013 from time to time
- h. **“Nomination and Remuneration Committee or NRC”** means a Committee of the Board of Directors of the Company constituted under the applicable laws.
 - i. **‘Policy’** means this Nomination and Remuneration Policy of the Company.
 - j. **‘Senior Management’** means officers/personnel of the Company who are members of its core management team. The core management team includes Chief Executive Officer, Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and SEBI (LODR), 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. INTERPRETATION:

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other Act/Regulation as may be in force and as and when it is amended from time to time.

4. APPLICABILITY OF THE POLICY:

This Policy is applicable to:

- i. Directors viz. Whole-time Director, Non-Executive and Independent Directors;
- ii. Key Managerial Personnel;
- iii. Senior Management.

5. PART A - MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:

The following matters shall be dealt by the Nomination and Remuneration Committee: -

- a) **Size and composition of the Board:** Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;
- b) **Directors:** Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.
- c) **Succession plans:** Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
- d) **Evaluation of performance:**
 - I. Make recommendations to the Board on appropriate performance criteria for the Directors.
 - II. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.
 - III. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties

- e) **Board diversity:** The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

f) Remuneration framework and policies:

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

- I. The remuneration of the Managing Director, Whole-time Directors, KMPs and Senior Management.
 - II. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any
 - III. The total remuneration of Non-Executive Directors and for individual remuneration to Non- Executive Directors and the Chairman (if non-executive), including any additional fees payable for membership of Board committees;
 - IV. the Company's incentive compensation and equity based plans including a consideration of performance thresholds and regulatory and market requirements;
- Such remuneration (including revisions thereof) shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required under the applicable laws and the Articles of Association of the Company
 - Shall be in accordance with and subject to the ceiling limits and other conditions prescribed under the applicable laws and the Articles of Association of the Company.
 - The remuneration shall comprise a mix of Fixed Remuneration and Variable remuneration in the form of performance incentive. The performance incentive shall be based on the prevailing policy of the Company.
 - Annual revisions in the remuneration

6. PART B - APPOINTMENT AND REMOVAL OF DIRECTOR, KMP'S AND SENIOR MANAGEMENT

a) Appointment criteria and qualifications

- The Committee shall identify and ascertain the **integrity, qualification, expertise and experience** of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- The candidate shall possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- The appointment of any Whole-Time Director/KMP/Senior Management shall be in accordance with the provisions of the Act, including Schedules IV and V of the Act and the Rules made thereunder and the other applicable regulations of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and also be governed by the prevailing employment policies of the Company.

- In case of an Independent Director, the proposed appointee should possess the desired attributes and should not suffer from any disqualifications as prescribed under Section 149(6) read with the relevant rules and Regulation 16 (b) of the listing regulations.
- A Whole-Time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a Whole-Time KMP can be appointed as a Director in any company subject to the same being intimated to the Board or being in accordance with the policy of the Company.
- A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director.
- The Company shall not appoint or continue employment of any person as Non-Executive Director who has attained the age of seventy five years. Provided that the term of the person holding this position may be extended beyond the age of seventy five years with the prior 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 five years.
- The Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.
- The Company shall ensure the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.
- Appointment of a new independent director or re-appointment of an independent director, the shareholders must be provided with details of listed entities from which the persons has resigned in the past three years.
- Committee shall ensure that while appointment of any director it shall ensure compliance with provisions of BSE and NSE circular dt: June 20, 2018.

b) Term/Tenure:

- **Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time 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. A person who has resigned as Independent Director from a listed entity shall not be appointed as Executive/whole time director on the board of listed entity its holding, subsidiary or associate company or on board of company belonging to promoter group for a period of one year. [Reg 25(11)]

- **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, 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. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

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 and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company or such other number as may be prescribed under the Act. A person who has resigned as Independent Director from a listed entity shall not be appointed as Executive/whole time director on the board of listed entity its holding, subsidiary or associate company or on board of company belonging to promoter group for a period of one year. [Reg. 25(11)]

A vacancy in the officer of Independent Director has to be filled up within a period of three months only from the date of vacancy.

The Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c) Removal:

Due to reasons for any disqualification mentioned in the Act, Policies of the Company, and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

d) Retirement:

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing HR policy of the Company, subject to applicable laws, regulations, rules, circulars, etc. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

7. PART C - REMUNERATION FOR DIRECTORS, KMPS AND SENIOR MANAGEMENT:

- The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Whole-time Directors/ KMP/ Senior Management etc. shall be governed as per the provisions of Section 149, 197 read with Schedule V and such other applicable provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force, and pursuant to Regulation 17 & 19 and other such applicable regulations of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

- Subject to the applicable provisions of law for the time being in force and appropriate consents and permissions, the Nomination and Remuneration Committee of the Board shall have power to fix remuneration and modify/ amend the same within the overall limits of Section 197 read with Schedule V of the Act, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 & Companies Act, 2013 and rules made thereunder. The remuneration may be decided as fixed and/or variable or combination of both.
- The fees or compensation payable to Executive directors who are Promoters or members of the Promoter group, shall be subject to the approval of the Shareholders by special resolution in general meeting, if-
 - a) the annual remuneration payable to such executive director exceeds INR 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
 - b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders shall be valid only till the expiry of the term of such director

- Approval of shareholders by way of special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive Director exceeds 50% of total remuneration payable to all non-executive Directors, giving details of remuneration thereof. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- The remuneration should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Whole-Time Directors, KMP and Senior Management Personnel and other employees involves a clear balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Remuneration to the Directors will be determined by the Committee and recommended to the Board. The same shall be subject to the approval of the shareholders.
- Increments to the existing remuneration of the Directors shall be approved by the Committee within the overall limits as approved by the shareholders and placed before the Board.
- Increments to the existing remuneration of KMP and Senior Management will be approved by the committee and recommended to the Board.
- While determining the remuneration/ compensation/ benefits, etc. to the Whole-Time Directors, KMP and Senior Management Personnel and other employees, the Committee shall keep in mind the following criteria;
 - That the remuneration is aligned with market when compared to relevant peer companies
 - Understandable and valuable to the talent the Company wishes to attract, motivate, engage and retain

- The remuneration payable to each Non-Executive Director(s) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
- The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- In case of inadequacy of profits, the remuneration may be recommended/ paid to the Whole-time Directors as well as Non-Executive Directors including Independent Directors on the Board in line with the provisions of Section 149, 197 read with Schedule V of the Act and Rules made thereunder subject to the passing of special resolution by the members of the Company as and when applicable. The amount of sitting fees to Independent Directors shall be subject to ceiling/ limits as provided under Act and rules made there under or any other enactment for the time being in force.
- The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non-Executive / Independent Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.
- The Independent Directors shall not be entitled to any stock option and also shall not be eligible to participate in any share based payment schemes of the Company.

8. NOMINATION DUTIES

- a) The duties of the Committee in relation to nomination matters include:
- b) Shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- c) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- d) 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. The letter of appointment / re-appointment to be issued to the Independent Director shall inter alia also set out the matters as stated in Schedule IV of the Companies Act, 2013 and shall be placed on the website of the Company;
- e) Identifying and recommending Directors who are to be put forward for retirement by rotation;

- f) Determining the appropriate size, diversity and composition of the Board;
- g) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- h) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- i) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- j) 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. Whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent Directors;
- k) Can be delegated to members of committee but not secretary who is CS.
- l) Recommend any necessary changes to the Board; and
- m) Considering any other matters, as may be requested by the Board.
- n) NRC shall be authorized to undertake any action / step required to be taken to comply with the requirements prescribed under the Applicable Laws.

9. REMUNERATION DUTIES:

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

- a) To consider and determine the Remuneration, 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.
- b) 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.
- c) Subject to the provisions of the law, to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) To consider taking up Professional indemnity and liability insurance for Directors and Senior Management, if required.

e) To consider any other matters as may be requested by the Board.

10. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

At Gujarat Petrosynthese Limited the responsibility of Nomination and Remuneration is at the level of the Board of Directors of the company. The Board of directors shall constitute a NOMINATION AND REMUNERATION Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation, 19 of SEBI (LODR) Regulations, 2015 consisting of the following board members:

1. Chairperson (*Independent Director*)
2. Member (*Independent/Non – Executive Director*)
3. Member (*Independent/Non – Executive Director*)

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

Further that all the members of committee shall be Non-Executive Directors and half of the members of the committee shall be Independent Directors.

11. ROLES AND RESPONSIBILITIES OF NOMINATION AND REMUNERATION COMMITTEE:

The Responsibilities of the Committee shall be such as prescribed under the Act and Rules made thereunder and Part D of Schedule II of the Listing Regulations (as amended from time to time).

12. DISCLOSURES:

The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. The details of the Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein.

13. EFFECTIVE DATE:

This policy was first approved by the Board of Directors on February 11, 2022 and is effective from February 11, 2022.

14. CONTACT PERSONNEL:

For queries related to this Policy, please write to us at: secretarial@gujaratpetrosynthese.com

15. REVIEW, LIMITATION AND AMENDMENT:

The Board of Directors may in their discretion and on recommendation of the Nomination and Remuneration committee, make any changes/modifications and/or amendments to this Policy from time to time. The Company shall reserve the rights to make alterations/ amendments to the Policy from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Listing Agreements, the Securities and Exchange Board of India Act, 1992 and rules/ regulations/ guidelines made there under, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.

In case of any amendments in the provisions of the Act, which makes any of the provisions/ clauses in the Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the Policy shall stand amended effective from date of such amendments, as notified from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc. shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.
