



Nomination & Remuneration Policy

Jayant Agro-Organics Limited

Leadership through Innovation

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Approved by :	NRC Committee	
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JAYANT AGRO-ORGANICS LIMITED

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Nomination and Remuneration Policy

The Board vide its resolution passed at their meeting dated 5th July, 2014 re-constituted the Nomination and Remuneration Committee (“**Committee**”). The terms of reference for the Committee *inter alia* include the following alongwith detailed terms of reference as referred in **Schedule B** of this policy:

- (i) recommending to the Board qualifications, positive attributes and criteria for independence of a director;
- (ii) recommending to the Board a policy relating to the remuneration of the Directors, key Managerial Personnel and Senior Management;
- (iii) formulating a criteria for evaluation of independent Directors and the Board and carrying out evaluation of every Director’s performance;
- (iv) devising a policy on Board diversity; and
- (v) identifying persons qualified to become Directors and be appointed as Senior Management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.

Therefore, in furtherance to the aforementioned terms of reference, the Committee has formulated the following Nomination and Remuneration Policy in accordance with Section 178 of the Companies Act.

1. **Effective date:** This Policy shall come into effect immediately.

2. Definitions:

“**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Company as constituted from time to time.

“**Company**” shall mean Jayant Agro-Organics Limited.

“**Companies Act**” shall mean the Companies Act, 2013 as amended, modified or supplemented from time to time, read with the relevant rules, regulations and notifications as may be applicable.

“**Committee**” shall mean the Nomination and Remuneration Committee of the Company.

“**Directors**” shall mean the executive, non-executive and independent directors appointed on the Board of the Company from time to time.



“**Key Managerial Personnel**” shall mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

“**Regulations / SEBI (LODR) / Listing Regulations**” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“**Policy**” shall mean this Nomination and Remuneration Policy of the Company.

“**Senior Management**” shall mean the personnel constituting the core management team for the Company:

Other terms used and not defined herein, shall have the same meaning as assigned to these in the Companies Act.

3. Policy in relation to nomination of Directors, Key Managerial Persons and Senior management

3.1 Guiding Principles

- (a) The nomination procedure adopted by the Company for identifying and appointing Directors, Key Managerial Personnel and Senior Management, shall be driven by meritocracy and will focus on inducting individuals from diverse backgrounds, having appropriate skills, qualifications, knowledge, expertise or experience, in one or more fields such as engineering, finance, management, business administration, sales, marketing, law, accountancy, research, corporate governance, technical operations, education, community service or any other disciplines connected with the business of the Company.
- (b) The Company seeks to have a management comprising of likeminded personnel, possessing skills which assist the Company in achieving its objectives and aiming for inclusive growth of the Company and the community.
- (c) The Company specifically looks for persons with qualities such as: (i) professional integrity and honesty; (ii) respect for and strong willingness to imbibe the Company’s core values; (iii) ability to act impartially, exercise sound judgement and discharge the fiduciary duties owed by such individuals to the Company; (iv) strategic capability with business vision; (v) entrepreneurial spirit and track record of achievement; (vi) reasonable financial expertise; (vii) have contacts in the fields of business/corporate world/finance/chambers of commerce and industry; and (viii) capability to effectively review and challenge the performance of the management.
- (d) With respect to Independent Directors, the management of the Company shall devise and update, as and when required, programs for familiarizing such directors with the Company, its business, their roles, rights and responsibilities in the Company etc.



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- (e) The Company seeks to have diversity on the Board by bringing in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment and mitigation strategy and human resource management in the Company. The Company will be considerate of succession planning and Board diversity while making appointments of directors on the Board.

3.2 Eligibility criteria

- 3.2.1 **For all Directors:** An individual being considered for being appointed as a Director must fulfil the following eligibility criteria as provided in Companies Act, 2013, SEBI (LODR) Regulations, 2015:
- 3.2.2 **For a managing director, whole-time director or manager:** In addition to the criteria specified in Companies Act, 2013, an individual being considered for the post of a managing director, whole time director or a manager must fulfil the eligibility requirements as provided under Companies Act, 2013, SEBI (LODR) Regulations, 2015:
- 3.2.3 **For independent Directors;** Pursuant to section 149 of the Companies Act and the Listing Regulations, the Company is required to appoint specified number of independent directors. An individual, who is not an executive director or a nominee director, may be considered for being appointed as an independent director if he meets the criteria as prescribed in Companies Act, 2013, SEBI (LODR) Regulations, 2015:
- 3.2.4 **For Key Managerial Personnel and Senior Management:** Individuals to be appointed as Key Managerial Personnel (other than Managing Director, Manager and Whole-time Director) and Senior Management shall have such qualifications, experience and expertise as may be determined by the management in consultation with the Committee, provided that a whole-time Key Managerial Personnel of the Company shall not hold office in any other Company at the same time except (i) in its subsidiary; or (ii) as a Director of the other Company, with the permission of the Board.

4. APPOINTMENT, TERM AND RETIREMENT

4.1 Appointment and retirement

- (a) All Directors shall be appointed by the Board, based on the recommendations made by the Committee, subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.
- (b) The Company shall issue formal letters of appointment to the Independent Directors in a manner provided in the Companies Act.



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- (c) A Whole-time Key Managerial Personnel of a Company shall be appointed only by a resolution of the Board containing the terms and conditions of the appointment, including the remuneration.

4.2 TERM OF OFFICE

- (a) No individual shall be appointed as the Managing Director, Whole-time Director or Manager for a term exceeding 5 (five) years at a time and no re-appointment shall be made earlier than one year before the expiry of his term.
- (b) An Independent Director shall hold office for a term up to 5 (five) consecutive years and may be re-appointed for another term of 5 (five) consecutive years, by a special resolution of the members of the Company. An individual who has held office as an Independent Director for two consecutive terms, shall be eligible for appointment as an Independent Director of the Company only after expiry of 3 (three) years of him ceasing to hold office as an Independent Director of the Company, if he has not, during the said period of 3 (three) years been associated with the Company in any other capacity, either directly or indirectly.
- (c) It is clarified that unless otherwise provided in the Companies Act, the term completed by an Independent Director prior to April 1, 2014 shall not be considered for fulfilling the requirements specified in clause 4.2 (b) above.

5. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

5.1 Guiding Principles: This Policy of the Company aims to attract, retain and motivate professionals; in order to enable the Company to achieve its strategic objectives and develop a strong performance based culture and a competitive environment. This Policy and the compensation structure has been devised after taking into account all relevant factors and giving due regard to the interests of shareholders and the financial and commercial health of the Company.

5.2 Board to determine the remuneration: The Board while determining the remuneration package of the Directors, key Managerial Personnel and Senior Management may take into account, all or any of the following:

- (a) The requirement of the Company, specifically in terms of the skill sets required, the qualification of the persons being considered and the long term and short term goals of the Company;
- (b) Interests of the shareholders and the financial and commercial health of the Company;
- (c) Individual performance of the persons being considered;



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- (d) Performance of the Company;
- (e) remuneration packages offered by companies of comparable size in the same business as the Company;
- (f) other relevant factors it deems necessary.

5.3 Maximum Threshold: Except as otherwise provided under the Companies Act or with the prior approval of the Shareholder, the total managerial remuneration payable by the Company, to its Directors (including Managing Director and Whole-time Director) and its Manager in respect of a financial year shall not exceed 11% (eleven per cent) of the net profits of the Company in the relevant financial year, computed in the manner prescribed under the Companies Act. Further, except with the approval of the Shareholder by passing special resolution in General Meeting:

- (a) The remuneration payable to any one Managing Director; or Whole-time Director or Manager shall not exceed 5% of the net profits of the Company and if there is more than one such Directors, remuneration shall not exceed 10% of the net profits to all such Directors and Manager taken together;
- (b) The remuneration payable to Directors who are not Managing Directors nor Whole-time Directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole-time director or manager and 3% of the net profits in any other case.

5.4 Manner of Payment: Remuneration payable to key Managerial Personnel and Senior Management may be mix of (i) fixed components such as salary, perquisites and allowances and (ii) variable components including commission, based on the individual performance and the performance of the Company, as determined by the board, provided that the remuneration payable to the Directors shall be subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.

5.5 Perquisites/allowances: The Company may offer perquisites and allowances such as house rent allowance, leave travel concession, medical reimbursement, club membership, personal accident insurance and such other benefits, facilities and allowances, to Directors, key Managerial Personnel and Senior Management as determined by the Board from time to time.

5.6 Stock Options: The Company may issue stock option to its Directors (other than Independent Directors), Key Managerial Personnel and Senior Management, as it may deem fit.

5.7 Sitting fee: Non-executive Directors of the Company may be entitled to a sitting fee, as determined by the Board or the Company in accordance with the provisions of the Companies Act. No executive Director shall be entitled to receive a sitting fee for



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attending Board meeting of the Company. Sitting fee will not be considered as a part of remuneration for determining the aggregate Managerial Remuneration being paid to Directors in accordance with this Policy.

5.8 Remuneration to non-executive Directors: Non-executive Directors may receive remuneration by way of (i) Sitting fee, (ii) reimbursement of expenses for participation in the Board and other meetings; (iii) profit related commission as may be approved by the shareholders and (iv) in such other manner as may be permitted under applicable law. An Independent Director shall not be entitled to any stock option.

5.9 Fee for professional Services: It is clarified that, the fee payable to a Director for any professional services rendered by him to the Company shall not be considered as a part of the relevant Director's remuneration. Further, payment of such professional fee shall not require approval of the shareholders, if the Committee is satisfied that the Director possesses the relevant qualifications for practicing the profession. Provided however that in case approval of the shareholders is required pursuant to the related party transactions policy of the Company or under the Companies Act (by virtue of such a transaction being considered as a contract or arrangement for availing any services and/or for appointment of a related party to any office or place of profit in the Company), such approval shall be obtained, in accordance with the provisions of the Companies Act or the Listing Agreement.

5.10 Professional Indemnity: The Company may take such professional indemnity and liability insurance policy for its Directors, key Managerial Persons and Senior Management, as the Board may deem fit and the premium paid on such insurance shall not to be treated as part of the remuneration payable to any such personnel, except as otherwise provided under the Companies Act.

5.11 Minimum Remuneration: If in a financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

5.12 Provisions for excess remuneration: If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act or without the prior sanction of the Central Government / Shareholders of the Company, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government / Shareholders of the Company.

6. EVALUATION

The Committee shall review the performance of every Director as performance evaluation and submit its report to the Board.



7. MISCELLANEOUS PROVISIONS

7.1 Interpretation

- (a) Unless the context of this Policy otherwise requires:
- i. words using the singular or plural number also include the plural or singular number, respectively;
 - ii. words of any gender are deemed to include the other gender;
 - iii. reference to the word “include” shall be construed without limitation;
 - iv. the terms “Clause” refers to the specified clause of this Policy;
 - v. Reference to any legislation or law or to any provision thereof shall include reference to any such legislation or law as it may, after the date hereof, from time to time, be amended, supplemented, re-enacted, replaced or superseded, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; and
 - vi. The index bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of this Agreement.

7.2 Applicable laws: In case the provisions of this Policy are in conflict with the provisions of the applicable law (including provisions of the Companies Act or the Listing Regulations) or provisions of the applicable law or any interpretation thereof are more beneficial than the provisions of this Policy, the provisions of the applicable law and the relevant interpretation thereof shall supersede the provisions of this Policy and the Company shall be entitled to act in accordance with such provisions of the applicable laws and any interpretation thereof. All actions taken by the Company in accordance with such applicable laws shall be deemed to be in consonance with the Policy.