



## **B.L. Agro Industries Ltd.**

*(Formerly known as B.L. Agro Oils Ltd.)*

H.O./R.O.: B-31, Road No. 2, Parsakhera Industrial Area, Bareilly-243502 (U.P.)

Telephone : 0581-2518300-399; Fax : 0581-2518371

E-mail: enquiry@blagro.org; website: www.blagro.org

CIN: U65910UP1993PLC015039

### **NOMINATION AND REMUNERATION POLICY**

#### **OBJECTIVES**

- The objective of the policy is to ensure that 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;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

#### **The Key Objectives of the Committee would be:**

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non-Executive/Independent) and persons who may be disappointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

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Railway Site, Racking System, Refinery & Fractionation Plant : Jauharpur, Infront of G.T.I., C.B. Ganj, Bareilly (U.P.)-243502

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- 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.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan
- To determine the remuneration based on the Company's size and financial position and practices in the industry.
- The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.

### **Constitution of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the company may be appointed as a member of this committee but shall not chair such Committee.

The Board has constituted the "Nomination and Remuneration Committee" of the Board on December 10, 2014. This is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.

The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the policy.

The Company Secretary shall act as Secretary to the Committee.

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### **Role and Powers of the Committee**

The Role and Powers of the Committee shall be under.

- a. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. To formulate criteria for evaluation of independent Directors and the Board.
- c. To identify persons who qualify to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the policy.
- d. To carry out evaluation of every Director's performance.
- e. To recommend to the Board the appointment and removal of Directors, Key Managerial personnel and Senior Management.
- f. To recommend to the Board policy relating to remuneration for Directors, Key Managerial personnel and Senior Management.
- g. To ensure that level and composition of remuneration is reasonable and sufficient, relationships of remuneration to performance is clear and meet appropriate performance benchmarks.
- h. To carry out any other function as is mandated by the Board from time to time and / or enforced by the statutory notification, amendment or modification, as may be applicable.
- i. To devise a policy on Board Diversity.
- j. To formulate the Nomination and Remuneration policy of the Company and propose any amendments.
- k. To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board, Key Managerial Personnel and to senior management.
- l. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

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### **Appointment and Removal of Director, Key Managerial Personnel and Senior Management**

- a) 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 his / her appointment, as per Company's policy.
- b) 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, with the permission of the Board of Directors of the Company.
- c) A person should 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.
- d) The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Director/ Independent Director who has attained the age of Seventy years Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the 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 years as the case may be.

### **Chairperson**

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

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- In the absence of the Chairperson, the members of the committee present at the meeting shall choose one amongst them to act as Chairperson.
- 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 shareholder's queries.

KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the company.

### **Frequency of Meetings**

The Meeting of the committee shall be held at such regular intervals as may be required.

### **Secretary**

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

### **Policy for Remuneration to Directors/KMP/Senior Management Personnel**

#### **1) Remuneration to Managing Director/ Whole-time Directors:**

- a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

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### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non- Executive / Independent Director may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under section 197 (5) of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) 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.
- d) Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

### **Voting**

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.

### **Evaluation**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

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### **Term / Tenure**

#### **A. Managerial Personnel**

The Company shall appoint or re-appoints any person as its Managerial Personnel 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.

#### **B. 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 reappointment 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.

The maximum tenure of Independent Director shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### **Retirement**

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management

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in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director.

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