

## **JD ORGOCHEM LIMITED**

### **NOMINATIONS AND REMUNERATION COMMITTEE CHARTER**

The company shall set up a nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.

#### **MEMBERSHIP**

The members of the committee will be appointed and removed by and shall serve at the discretion of the Board. The Board may remove any member from the committee at any time with or without cause. The committee shall consist exclusively of "independent" directors (as defined in the Listed Company Manual of the New York Stock Exchange) of the Company as determined by the Board. The minimum number of members of the committee shall be three.

Unless the Board designates a chair, members of the committee may designate a chair by majority vote of the committee. A majority of the members of the committee will constitute a quorum for the transaction of business of the committee, or two members of the committee, whichever is less.

#### **AUTHORITY AND RESPONSIBILITIES**

The committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board prescribes from time-to-time.

The role of the committee shall, *inter-alia*, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes, expertise, qualities, skills and independence of a director and recommend to the Board for its approval, criteria to be considered in selecting nominees for director (the "Director Criteria").
2. The committee shall develop, subject to approval by the Board, a process/ policy for an annual self evaluation of the performance of the Board, the individual directors and board committees in the governance of the Company and coordinates and oversees this annual self-evaluation.
3. Recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees of the Company.
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

## **OTHER RESPONSIBILITIES**

- Reviewing and reassessing the adequacy of the committee's charter as required and recommending changes to the Board.
- Reviewing and assessing its own performance on an annual basis.
- Developing and recommending to the Board a set of corporate governance guidelines applicable to the Company.
- Overseeing the Company's corporate governance practices, including reviewing the Company's corporate governance guidelines annually and recommending amendments to the Board as necessary.
- Monitoring compliance with the Company's corporate governance guidelines.
- To develop and recommend to the Board for approval a CEO succession plan (the "Succession Plan"), to review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.

## **SPECIFIC POWERS**

- The committee may conduct or authorize studies of matters within the committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company.
- The committee may, at the expense of the Company, select and retain advisors to assist it in connection with its functions, as it deems necessary or appropriate. The Company shall provide for appropriate funding, as determined by the committee, for payment of any advisors employed by the committee pursuant to this charter. The Company shall pay the ordinary administrative expenses of the committee that are necessary or appropriate for carrying out its duties.

The advisors retained by the committee shall be independent as determined in the discretion of the committee.

The committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The committee is governed by the same rules regarding meetings as are applicable to the Board.

## **MINUTES**

The committee will maintain written minutes of its meetings, which will be filed with the minutes of the meetings of the Board, and will also comprise the record of any action taken by written consent.

## **COMPENSATION**

Members of the committee shall receive such fees, if any, for their services as committee members as may be determined by the Board.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

## **BOARD PERFORMANCE EVALUATION POLICY**

### **1. PURPOSE AND SCOPE**

Each year the Board of Directors (the Board) of JD Orgochem Limited (the Company) will carry out an evaluation of its own performance. Board performance evaluation is designed to:

- (a) Review the pre-determined role of the Board and individual Directors as set out in the Company's Board Charter;
- (b) Annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- (c) Annually assess the performance of directors in discharging their responsibilities. This is achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- (d) Regularly evaluate the Directors' confidence in the integrity of the company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- (e) Enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.

### **2. PROCEDURE FOR BOARD PERFORMANCE EVALUATION**

- (a) The Chairperson will meet with each director separately seeking input in relation to:
  - (i) the performance of the Board;
  - (ii) the performance of each Board Committee;
  - (iii) the performance of the Chairman;

- (iv) the performance of the Managing Director; and
  - (v) their own performance.
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- (b) Performance should be assessed quantitatively (and qualitatively, as appropriate) against criteria contained in the Board Charter, strategic plans and the role / position description.
  - (c) The Chairman will collate the input and provide an overview report for discussion by the Board.
  - (d) The Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

### **3. PROCEDURE FOR BOARD PERFORMANCE EVALUATION OF MANAGING DIRECTOR AND KEY EXECUTIVES**

This policy is to ensure the Managing Director and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- (a) Each year the Board reviews the Company's strategy.
- (b) Following such a review the Board sets the organisation performance objectives based on qualitative and quantitative measures.
- (c) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.
- (d) These objectives form part of the performance targets for the Managing Director.
- (e) Performance against these objectives is reviewed annually by the Board and is reflected in the Managing Director's remuneration review.
- (f) The Managing Director is responsible for assessing the performance of the key executives and a report is provided to the Nomination and Remuneration Committee for review.

### **4. EXTERNAL CONSULTANTS**

The Board may engage independent external consultants periodically to provide advice and assistance in the evaluation process.

### **REMUNERATION POLICY**

The remuneration paid to the Whole time Directors and the Key Managerial Personnel and Senior executives of the Company are based on the criteria laid down and on the recommendation by the Committee. The Company shall pay remuneration to the Whole time Directors and the Key Managerial Personnel and senior executives of the Company by way of salary, retirement benefits, perquisites, allowances (fixed and variable components), incentives, commissions based on the recommendation of Nomination and Remuneration Committee and subject to the approval of the

Board of Directors and the Shareholders of the Company, if applicable. The commission will be calculated on the net profits of the Company for a particular financial year subject to the overall ceilings limits as enumerated in the Section 197 of the Companies Act, 2013

#### **REMUNERATION TO THE NON-EXECUTIVE DIRECTORS**

Remuneration to the Non- executive Directors is paid by way of sitting fees for attending Board and other Board committee meetings from time to time within the prescribed limits in the Companies Act, 2013. The Commission shall be paid to the Non Executive Directors to the Limit of 1 % of the Net profits of particular financial year subject to the approval of Board and Shareholders of the Company. The Commission shall be paid on uniform basis to reinforce the principle of collective responsibility. An Independent Directors shall not be entitle to any stock option and shall receive remuneration by professional fees, if any as per section 197 of the Companies Act, 2013, reimbursement of expenses for participation in the Board meeting and other Committee meetings and profit related commission if approved by the Members of the Company, if any.

Where the Company has inadequate or no profits, it shall fix the remuneration within the limits specified in this Act, at such amount or percentage of profits of the company, as it may deem fit and while fixing the remuneration, the it shall have regard to –

- (a) the financial position of the company;
- (b) the remuneration or commission drawn by the individual concerned in any other capacity;
- (c) the remuneration or commission drawn by him from any other company;
- (d) professional qualifications and experience of the individual concerned;
- (e) such other matters as may be prescribed.

Every listed company shall disclose in the Board's report, the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed.

Where any insurance is taken by a company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

The company shall recover from any past or present managing director or whole-time director or manager or Chief Executive Officer (by whatever name called) who, during the period for which the financial statements are required to be re-stated, received the remuneration (including stock option) in excess of what would have been payable to him as per restatement of financial statements.