

## **NORTHERN AROMATICS LTD'S NOMINATION AND REMUNERATION POLICY** **(as amended)**

This policy shall be read in line with Section 178 of Companies Act, 2013 and rules, regulations, circulars and notifications as may be applicable and as amended from time to time.

The company understands the human power and always treats it as a pillar to the organisation. Thus, company sets parameters to attract the best talent available and endeavour to compensate them with industry standards. Opportunities and assignments are given to employees for grooming them so that they can progress more to their potential and also contribute towards organisational growth. This helps the company to retain them and have lower attrition rate.

### **Appointment:**

For appointment, requisite qualification and experience for the respective job are must which shall be decided by Head of Department with support of Human Resource Department.

### **Remuneration:**

The remuneration payable to Directors, Key Management Personnel and other employees to be decided as per industry standard and norms, keeping it at par with them. Compensation payable will be very clear with complete transparency in all aspects, including retirement benefits and taxation.

Perks and various employee benefits will be as per appointment letter and company policy to commensurate with nature of duty of each person.

Loans and advances for supporting the needs of individuals and family will be provided and recovered as per terms of appointment letter and company policy.

### **Appraisal Process:**

1. Employees have to define their goals and objectives at year beginning by themselves, called as Business Building Objectives (BBO).
2. These BBO will be vetted and approved by their peers and immediate superiors.
3. Based on performance and key achievements of employee, these BBO to be monitored by management with support from Human Resource Department during the year.
4. At year end, Contribution Enhancement Plan (CEP) to be prepared by employee to support their performance and achievements during the year.
5. Management will evaluate and rate the CEP of each employee clearly on the basis of performance and BBO achieved.
6. Accordingly, employees will be graded and compensated.
7. According to performance of the year & of previous years, potential and capability, employees will be promoted.

**Criteria for Determining Independence of a Director**

A person to be appointed as Independent Director should meet all the requirements of independence as provided under different provisions of Companies Act, 2013.

**Evaluation of Performance of Board, its Committees and individual Directors**

The evaluation of performance of the Board, its committees and individual Directors shall be done on following parameters:

- (a) Attendance at meetings of the Board and Committees thereof,
- (b) Participation in Board Meetings or Committee thereof,
- (c) Contribution to strategic decision making,
- (d) Review of risk assessment and risk mitigation,
- (e) Review of financial statements, business performance,
- (f) Raising of concerns to the Board,
- (g) Safeguard of confidential information
- (h) Rendering independent, unbiased opinion and resolution of issues,
- (i) Initiative in terms of new ideas and planning for the Company,
- (j) Professional skills, problem solving and decision making.