

Bajaj Consumer Care Limited

(Formerly Bajaj Corp Limited)

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Policy on Nomination, Remuneration & Corporate Governance

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1. Regulatory Framework

This policy is framed pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements), 2015 which require every listed public company to constitute the Nomination and Remuneration Committee (NRC) for the purpose of recommendation to the Board matters related to appointment, remuneration, removal/resignation of directors, key managerial personnel and senior management and also to provide a framework for effective evaluation of performance of Board, its committees and individual directors.

2. Definitions

- 2.1 "Act" means the Companies Act, 2013 and the Rules framed thereunder as amended from time to time.
- 2.2 "Board" means Board of Directors of the Company.
- 2.3 "Company" means Bajaj Consumer Care Limited
- 2.4 "Committee" means a committee of the Board formed under Section 178 of Companies Act & Regulation 19 of Listing Regulations.
 - 2.4.1 Managing Director
 - 2.4.2 Chief Financial Officer
 - 2.4.3 Company Secretary
 - 2.4.4 Such other officer as may be prescribed under the applicable laws and nominated by the Board
- 2.5 "Key Managerial Personnel or KMP means
- 2.6 "Listing Regulations" means Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 as amended from time to time.
- 2.7 Senior Management shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and comprise of all members one level below the Board and shall include the Chief Financial Officer and the Company secretary.

3. Primary Objective

The Nomination, Remuneration & Corporate Governance Committee (Committee) is constituted by and accountable to the Board of Directors (or the 'Board') of the Company.

Committee's primary responsibilities are to:

- To identify individuals qualified to be Board members and in Senior Management, consistent with criteria approved by the Board and to periodically examine the structure, composition and functioning and performance of the Board, its Committees & Senior Management and recommend changes, as necessary;
- To recommend new Board members in light of resignation of current members or a planned expansion of the Board;

- To formulate the criteria for evaluation of performance of Board, its committees and individual directors.
- To formulate the criteria for determining the qualifications, positive attributes and independence of a Director.
- To recommend to the Board remuneration policy for Directors, Key Managerial personnel and Senior Management.
- To develop and recommend to the Board a set of Corporate Governance Guidelines;
- To oversee the evaluation of the Board, Committees of the Board and the management.
- To assess the Company's policies and processes in key areas of Corporate Governance, other than those explicitly assigned to other Board Committees, with a view to ensuring the Company is at the forefront of good corporate governance;
- Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;
- Examine the impact of significant regulatory and statutory changes applicable to the governance practices of the Company, and to recommend measures to implement the same;
- To regularly examine ways to strengthen the Company's organizational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees. In this context, the Committee will also review the framework and processes for motivating and rewarding performance at all levels of the organization, will review the resulting compensation awards, and will make appropriate proposals for Board approval. In particular, it will recommend all forms of compensation to be granted to Directors, Key Managerial Personnel and Senior Management of the Company

4. Composition

- The Committee shall consist of minimum three Independent Directors.
- The members of the Committee shall be appointed / removed by the Board of Directors.
- The Chairman of the Committee shall be designated by the Board.

5. Secretary

The Company Secretary shall act as Secretary to the Committee.

6. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Committee; whichever is greater.

7. Meetings of the Committee

- The Committee will normally meet prior to each regularly scheduled quarterly meeting of the Board or at such other time as deemed fit by it.
- Except otherwise desired by the Committee, the Chairman of the Board shall be invited to every meeting and other directors who are not members of the Committee may attend meetings at the discretion of the Chairman of the Committee.

- The Chairman of the Board and other Directors who are not members of the Committee shall have no voting rights.
- The Committee shall regularly meet in executive session without Company's management.
- The Chairman of the Committee shall be responsible for scheduling the meeting and providing the written agenda of the meeting.
- The Committee may adopt such rules and regulations in-line with the applicable provision of the Act and Rules made there under and Listing Regulations for conducting of the Committee meeting.
- The Chairman of the Committee shall report to the Board of Directors following Committees meeting and make such recommendations to the Board as the Committee deems fit.

8. Authority

The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants at Company's expense where judged necessary, to discharge its duties and responsibilities and may pay suitable fees to them.

9. Remuneration Policy

▪ Directors

The Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors. Such commission will be approved by the Board and shareholders in accordance with the provisions of the Act. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to non-executive directors.

The Committee shall recommend to the Board remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Managing/Whole-time/Executive Directors /CEO.

The remuneration to be paid to Managing/Whole-time/Executive Directors/ CEO shall be determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance as well as individual performance. Perquisites and retirement benefits shall be paid according to the Company policy as applicable to all employees.

The Company may provide loan / advances to Managing/Whole- time/Executive Directors/CEO on such terms and conditions and in such manner as may be recommended by the Committee to the Board.

Independent and Non- Executive Directors may be paid such sitting fees for attending the meeting of the Board and Board Committees, as recommended by the Committee to the Board.

▪ Key Managerial Personnel and Senior Management

The Committee shall recommend a Remuneration Policy for the evaluation of the performance and remuneration of Key Managerial Personnel and Senior Management of the Company.

The Committee while recommending the Policy shall consider the criteria like industry pattern, qualification & experience / merits, performance of each KMP and Senior Management , Company performance etc.

The Committee shall recommend to the Board, compensation and incentive-compensation as well as Employees Stock Option Scheme / Plan of Key Managerial Personnel, Senior Management and other employees of the Company based on their evaluation of performance. The Company may provide loan / advances to its Employees as per its internal policy as amended from time to time.

10. Criteria for Board Membership

➤ Directors

The Committee shall take into account the following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to Company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- Any person to be appointed as Director shall not possess the disqualifications contained in the Companies Act, 2013, as amended from time to time

➤ Independent Director

An Independent Director shall comply and meet with all the criteria laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and Rules made thereunder. Further, the Independent Director shall adhere to the Code of Conduct and Code of Ethics adopted by the Company.

11. Key Managerial Personnel [as defined under Section 2(51) of the Companies Act 2013]

- Chief Executive Officer or Managing Director or Manager
- Company Secretary
- Whole-time Director
- Chief Financial Officer

12. Reporting

The Committee shall report on its activities and summarize any recommendations to the Board at Board meeting.

13. Evaluation

- The Committee shall establish the criteria for effective evaluation of performance of Board, its committees and individual directors and if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board of Directors.
- The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

14. Review of Policy

The adequacy of this Policy shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any shall be made to the Board to update the same from time to time.
