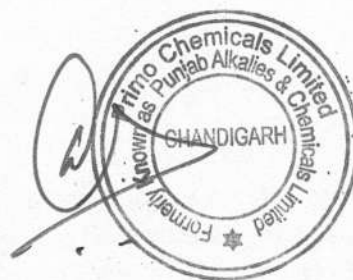


PRIMO CHEMICALS LIMITED
NOMINATION AND REMUNERATION POLICY

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I. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 ("the Act") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time), the Board of Directors of the Company shall constitute the Nomination and Remuneration Committee.

The Company is having a Nomination and Remuneration Committee of the Board of Directors of the Company to approve the remuneration of the Managing Director(s), Whole-time Director(s), Key Managerial Personnel and Senior Management of the Company. The Committee was re-constituted on 26/10/2021 by the Board of Directors of the Company, the details of which are available on the website of the Company.

On the recommendation of Nomination and Remuneration Committee, the Board has approved the Policy in its meeting held on May 05, 2022.

II. OBJECTIVE

The objective of this Policy is to lay down a frame work in relation to appointment/nomination and remuneration of Directors, Key Managerial Personnel (KMPs). The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors and KMPs.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To determine qualifications, experience and independence of a Director.
- To determine qualifications, positive attitude, experience and remuneration of Directors, KMPs.
- To evaluate the performance of the members of the Board.
- To determine the criteria for retaining, motivating, awarding of increments and promotion for KMPs.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

III. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company"/"Primo" means "Primo Chemicals Limited."

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer and
- (v) Such other Officer as may be prescribed



“Nomination and Remuneration Committee” (“NRC”/“Committee”) shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

“Policy or This Policy” means Nomination and Remuneration Policy.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961.

“Senior Management” means officers/ personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer

IV. ROLE OF THE COMMITTEE

The role of the Committee inter-alia will be the following:

- To guide the Board in relation to appointment and removal of Directors and KMPs.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To determine qualifications, experience and independence of a Director.
- To determine qualifications, positive attitude, experience and remuneration of Directors, KMPs and other Senior Management Personnel.
- To recommend to the Board, all remuneration, in whatever form, payable to Directors including the Managing Director and Whole-time Director(s) including the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company.
- To recommend to the Board, all remuneration, in whatever form, payable to KMPs and Senior Management Personnel keeping in view the Salary structure Grades and Pay-scales existing in the Company or as amended/modified from time to time.
- To evaluate the performance of the members of the Board.
- To determine the criteria for retaining, motivating, awarding of increments and promotion for KMPs and other Senior Management Personnel.
- To decide whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent director.
- To devise the Policy on Board’s diversity.
- To carry out any other function as is mandated by the Board from time to time and / or by any statutory notification, amendment or modification, as may be applicable.
- To oversee familiarisation programmes for directors



V. MEMBERSHIP OF THE COMMITTEE

- a) The Committee shall comprise of at least three (3) Directors.
- b) All the Directors shall be non-executive Directors.
- c) At least fifty percent of the Directors shall be Independent.
- d) The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not Chair the Committee.
- e) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and Listing Regulations and such other applicable statutory requirement or otherwise.
- f) Membership of the Committee shall be disclosed in the Annual Report.

VI. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

VII. QUORUM FOR A MEETING OF THE COMMITTEE

Quorum for the meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance.

VIII. FREQUENCY OF MEETINGS

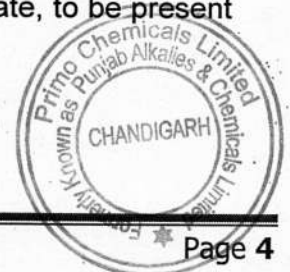
The Nomination and Remuneration Committee shall meet at least once in a year.

IX. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings of the Committee shall be recorded and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee Meeting will be tabled at the subsequent meetings of the Board and Committee.

X. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.



XI. VOTING

- a) 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.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT PERSONNEL

• Appointment criteria and qualifications:

1. The Committee shall ascertain the qualifications, expertise and experience of the person for appointment as Director, KMPs or Senior Management Personnel and recommend to the Board his/her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended 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 of general body, indicating the justification for extension of appointment.

• Term/Tenure:

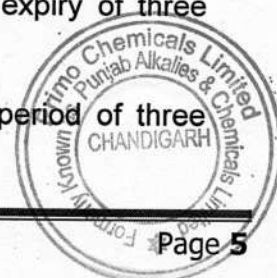
Managing Director/Whole-time Director:

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

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 re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report of the Company.
- 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.

- o At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Regulations

• **Evaluation:**

The performance evaluation shall be carried out as given below:-

Performance Evaluation by	Person to be evaluated
Nomination and Remuneration Committee	Performance of all Directors.
Board of Directors	- All Directors and Board and Committees as a whole - All Independent Directors excluding the Director being evaluated
Independent Directors	Review the performance of Non Independent Directors and Chairman of the Company

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

a) Criteria for evaluation of the Board of Directors as a whole:

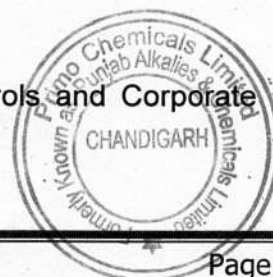
- (i) The Frequency of Meetings
- (ii) Quantum of Agenda
- (iii) Administration of Meetings
- (iv) Flow and quantity of Information from the Management to the Board
- (v) Number of Committees and their role.
- (vi) Overall performance of the Company

b) Criteria for evaluation of the Board Committees

- (i) The Frequency of Meetings
- (ii) Quantum of Agenda
- (iii) Administration of Meetings
- (iv) Flow and quantity of Information from the Management to the Committee
- (v) Role of Committees.
- (vi) Contribution to the decision making process of the Board.

c) Criteria for evaluation of the Individual Directors including Independent Directors;

- (i) Experience and ability to contribute to the decision making process
- (ii) Problem solving approach and guidance to the Management
- (iii) Attendance and Participation in the Meetings
- (iv) Personal competencies
- (v) Contribution towards statutory compliances, monitoring of controls and Corporate Governance



(vi) The evaluation of independent directors shall be done by the entire board of directors which shall include –

(a) Performance of the directors; and

(b) fulfillment of the independence criteria as specified in the Companies Act, 2013 and Listing Regulations and their independence from the management.

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate

The performance evaluation of all the Independent Directors shall be done by the entire Board and while doing so, the Director subject to evaluation shall not participate. On the basis of performance evaluation done by the Board, it will be determined whether to extend or continue their term of appointment, whenever their respective term expires

• **Removal:**

Due to reasons for any disqualification provided in the Act, Rules made there under or under any other applicable Laws, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

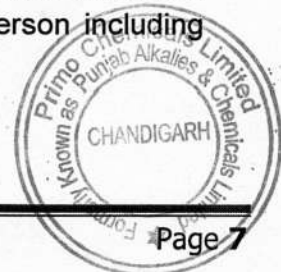
• **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing internal policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position /remuneration or otherwise even after attaining the retirement age ,for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONS, KMPS AND SENIOR MANAGEMENT PERSONNEL

• **General:**

1. The remuneration/compensation/ commission etc.to the Managerial Persons including Managing Director/whole-time Director, KMPS and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and such other approval, wherever required.
2. The remuneration and commission to be paid to Managerial Person including Managing Director/whole-time Director shall be as per the statutory provisions of the Act and Listing Regulations, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within such slabs that may be approved by the Shareholders in the case of Managerial Person including Managing Director/ Whole-time Director.



4. The remuneration structure will have a right mix of guaranteed (fixed) pay, pay for performance and long term variable pay based on business growth and other factors such as growth in shareholder value to ensure that it is competitive and reasonable
5. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and for Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

• **Remuneration to Managerial Persons, KMPs and Senior Management personnel:**

1. Fixed Pay:

Managerial Person including Managing Director/whole-time Director, KMPs and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and the Rules made there under and/or as per the internal Policy of the Company and also keeping in view the Salary structure Grades and Pay-scales existing in the Company. The break-up of the Pay and quantum of perquisites including employer's contribution to Provident Fund(s), Pension Scheme(s), Medical Expenses, Club Fees etc. shall be either decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and such other approval, wherever required or as per the internal Policy of the Company.

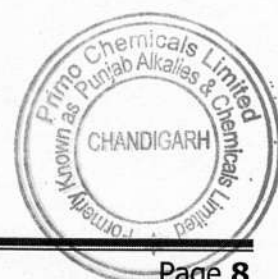
2. Variable Pay:

The Company may in its discretion and in accordance with the internal Policy, decide any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable shall be based on performance against pre-determined financial and non-financial metrics.

The Committee may also recommend/approve a range of remuneration within which the remuneration may be paid to the Executive/ Managing Director / Whole-time Directors.

3. Provision for minimum remuneration:

In case of Managerial Person including Managing Director/whole-time Director, If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act. If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without such approval, wherever required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.



• **Remuneration to Non-Executive/Independent Director:**

1. Remuneration/Commission:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and Variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. Within the parameters and limits prescribed by law including the Companies Act, 2013 and the applicable SEBI regulations, the payment of sitting fees, commission and any other form of remuneration will be recommended by the NRC and approved by the Board. The amount of commission and remuneration payable to non-executive directors shall be further subject to the approval of the members, wherever required based on the quantum of remuneration proposed.

2. Sitting Fees:

The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof and the quantum of fees shall be decided by the Board from time to time.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed from time to time.

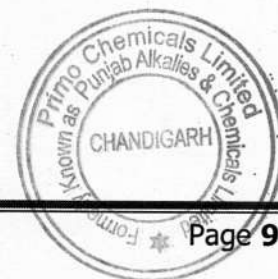
3. Present Sitting Fee:

The Non-Executive Directors are entitled to Sitting Fee decided by the Board of Directors in accordance with the provisions of the Articles of Association of the Company. The Sitting Fee has been revised with effect from 11th November, 2021 to Rs.50,000/- per meeting of the Board of Directors and meeting of the Committee of the Board of Directors attended.

XIV. GUIDING PRINCIPLES

The Policy ensures 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.
- Matters not covered by this Policy would be decided by the Board of Directors.



XV. DEVIATIONS FROM THIS POLICY

Deviations from this policy in extraordinary circumstances may be made, if there are specific reasons to do so in an individual case.

XVI. REVIEW/ REVISION OF POLICY

If at any point there is a conflict between the Policy and any Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Circulars/ Directions issued by relevant authorities ("Regulatory Provisions"), then the interpretation of the Regulatory Provisions shall prevail.

The Board may review or amend this Policy, in whole or in part, from time to time, after taking into account the recommendations of the Committee and/or keeping in view any statutory modification(s)/amendment(s).

