

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policy of the **Maharashtra Safe Chemists & Distributors Alliance Limited** board of Directors (the "Board") is to ensure that the Board consists of members with the range of skills and qualities to meet its primary responsibility for promoting the success of the Company in such a way that ensures the interests of shareholders and stakeholders are promoted and protected.

Board renewal is an important aspect having direct impact to performance of the Company. The Board is conscious of the duration of each Director's tenure in succession planning. Retiring Directors are not automatically re-appointed. The eligible Director(s), who shall retire by rotation from office at each annual general meeting, is determined as per the laws, rules and regulation existent for the time being. A Director who retires at an annual general meeting may, if willing to act, be reappointed and is subject to the selection and appointment procedures outlined below.

The Company shall have a valid Nomination & Remuneration committee formed under Companies Act 2013.

The Nomination Committee considers the selection and re-appointment of Directors and makes a recommendation to the Board.

### **COMPOSITION AND COMMITMENT OF THE BOARD**

The Board should be of a size and composition that is conducive to making appropriate decisions and in compliance to the quorum requirements stated in Companies Act, 2013. It should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the company as a whole rather than of individual shareholders or interest groups. It should not be so large that effective decision-making is hindered. The Chairman of the Company shall have right to decide on the Composition of the Committee in compliance with the Companies Act, 2013.

Board members should devote the necessary time to the tasks entrusted to them.

### **PROCEDURE FOR THE SELECTION AND APPOINTMENT OF DIRECTORS**

- Assess the current Board's skills, experience and expertise to identify the skills that would best increase Board effectiveness
- Assess the needs of the business currently and going forward
- Develop selection criteria for potential board candidate(s)
- Detailed informal discussion by the Board shall be made to generate list of potential candidates who may fit in the criteria.
- The Director is asked to disclose the time that he can devote to the Company and give a detailed description thereof before the consideration of the appointment in the Board.
- The Board examines the final list of candidate(s) and agrees an order of preference.
- Chairman or any person to whom the Chairman delegates the task approaches desired candidate(s).
- Directors consent and declaration for qualified appointment is taken

- Candidate is appointed to the Board as Additional Director in case of new appointment.
- Appointment is ratified by Shareholders at the following AGM

#### **PROCEDURE FOR THE RE-APPOINTMENT OF DIRECTORS**

The re-appointment of directors will not be automatic. The board will ensure planned and progressive refreshing of the board. Every Director who retires from office at annual general meeting may be considered for reappointment as per the Companies Act, 2013 if willing to act as Director. The following procedure shall be adhered to in case of re-appointment of retiring Director.

- Get evaluation report from the Board/Committee in respect thereof.
- Assess the current Board's skills and qualities
- Assess the needs of the business currently and going forward
- Develop criteria required
- Measure each retiring director's skills against the criteria
- Directors discuss and agree whether each retiring director should stand for re-election at the next Annual General Meeting
- If recommended for re-appointment, each retiring director stands for re-election at the shareholder meeting in accordance with Companies Act, 2013
- Otherwise the new director selection process commences as stated above and Director is appointed in Annual General Meeting

#### **PROCESS FOR EVALUATION**

The Board operates in accordance with a Board Charter and Code of Conduct specified by Company.

The Code of Conduct sets out the ethics and values in accordance with which the Board performs its duties.

The Nomination Committee of the Board is responsible for the evaluation of Board performance.

The performance of the Board and each of its Committees is reviewed annually.

***"THIS POLICY IS EFFECTIVE FROM 1<sup>ST</sup> APRIL 2014 AND MAY BE REVIEWD AND REVISED BY THE BOARD FROM TIME TO TIME."***

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