

NOMINATION AND REMUNERATION POLICY

Introduction:

This policy on nomination and remuneration of Directors and Key Managerial Personnel (KMP) has been formulated by the Nomination and Remuneration Committee in pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company, such policy is in terms of the provisions of the Companies Act, 2013.

Definitions

'Act' means Companies Act, 2013 and rules thereunder.

'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board

'Company' means Bhagawati Oxygen Limited.

'Directors' means Directors of the Company.

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

'Key Managerial Personnel' (KMP) means:

- a. Manager appointed under the Companies Act, 2013.
- b. Chief Financial Officer appointed under the Companies Act, 2013.
- c. Company Secretary appointed under the Companies Act, 2013.

'Ministry' means the Ministry of Corporate Affairs, Government of India.

Objectives of the policy

The policy is framed with the objectives of facilitating the following:

- To guide the Board in relation to appointment and removal of Directors and Key Managerial .
- To determine remuneration based on the Company's size and financial position and prevalent trends and practices on remuneration in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- Policy for Appointment And Removal of Director and KMP
- Appointment Criteria and Qualifications
- The Committee shall identify and ascertain the qualification, expertise and experience of a person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- A person should possess adequate qualification, expertise and experience for the position he / she is being considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not ordinarily appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. However, the term of a person holding this position may be extended beyond the age of seventy years in such suitable cases as may be determined by the Committee.

Term / Tenure

Managing Director/Whole Time Director/Manager

The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director or Manager for a term not exceeding five years at a time. Also, where the re-appointment of the Managing Director or Whole Time Director or Manager is deemed to be fit by the Nomination and Remuneration Committee, such re-appointment shall not be made earlier than one year before the expiry of his 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 if a special resolution is passed by the Company and such appointment is disclosed in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years from ceasing to be an Independent Director.

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.

Evaluation

The Committee shall carry out evaluation of performance of every Director and KMP at regular intervals.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

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

POLICY FOR REMUNERATION OF DIRECTOR AND KMP

Remuneration of the Managing Director/ Whole Time Director/ Manager

The remuneration paid to the Managing Director/ Whole Time Director/ Manager is recommended by the Committee and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at a general meeting and such other authorities, as the case may be.

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to any Managing Director. The remuneration is arrived after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the company.

Remuneration of Non-Executive & Independent Directors

The Non-Executive Directors and Independent Directors of the Company would be paid sitting fees for attending meeting of the Board and they would not be paid any sitting fees for any Committees.

The Non-Executive and Independent Directors may also be entitled to remuneration by way of such commission on profits pursuant to the provisions of the Act for a financial year as may be decided by the Board and approved by the shareholders of the Company from time to time in addition to the sitting fees for attending the meetings of the Board.

The Non-Executive and Independent Directors are also entitled to reimbursement of travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

An Independent Director shall not be entitled to any stock option if announced by the Company.

Remuneration for Key Managerial Personnel

The Remuneration to be paid to KMPs shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Act and rules made thereunder or any other enactment for the time being in force.

This remuneration policy shall apply to all future/ continuing employment with the company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes. The Board reserves its right to amend or modify this policy in whole or in the part, at any time without assigning any reason whatsoever

Amendments to the Policy

The Board on its own and / or as per the recommendations of the Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.