



NOMINATION AND REMUNERATION POLICY



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1. Introduction:

The Board of Directors at its meeting held on January 20, 2004, had set-up a Remuneration/Compensation Committee for determining the remuneration packages of Executive Directors as also formulating and recommending to the Board, Employees Stock Option Plans for the eligible employees of the Company and its subsidiaries. Pursuant to the provisions of the Companies Act, 2013, the Board of Directors at its meeting held on May 7, 2014, rechristened the Remuneration/Compensation Committee to 'Nomination and Remuneration Committee' (NRC).

2. Definitions:

'Act' means Companies Act, 2013 (Act) and Rules made thereunder, including any amendments or modifications thereof.

'Board' means the Board of Directors of Lupin Limited.

'Company' means Lupin Limited.

'Independent Director' means a director of the Company who is not a Managing Director or Whole-time Director or Nominee Director and who is neither a promoter of the Company or its holding, subsidiary or associate company and who is not related to promoter or Director of the Company or its holding, subsidiary or associate company and who satisfies the criteria for independence as prescribed by Section 149(6) of the Act as also Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (Listing Regulations), 2015.

'Key Managerial Personnel' means: -

(i) Chief Executive Officer or Managing Director or Whole-time Director;

(ii) Company Secretary; and

(iii) Chief Financial Officer.

'Policy' means this Policy as amended from time to time.

'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 personnel of the Company who are members of its core management team excluding the Board of Directors and would include all members of the management one level below the executive directors, including all functional heads.

3. Composition of the NRC:

In compliance with Section 178 of the Act and Regulation 19 (1) of the Listing Regulations, the Board of Directors constituted the NRC comprising three Independent Directors. Dr. K. U. Mada is the Chairman of the NRC and Mr. R. A. Shah and Mr. Richard Zahn are its Members. Mr. R. V. Satam, Company Secretary, acts as the Secretary of the Committee.

4. Role of the NRC:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to remuneration of the directors, key managerial personnel and other employees;

b) Formulating the criteria for evaluation of Independent Directors and the Board;

- c) Devising a policy on diversity of the Board of Directors;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal;
- e) Extending or continuing the term of Independent Director, on the basis of report of performance evaluation of independent directors;
- f) Administration of the Employees Stock Option Plans; and
- g) Recommending to the Board, all remuneration, in whatever form, payable to senior management.

5. Remuneration of Executive Directors:

NRC shall recommend to the Board, remuneration of Executive Directors subject to approval by the members and such other approvals, as may be necessary.

While recommending remuneration, the NRC shall consider various factors such as qualifications, experience, expertise, position, leadership qualities, prevailing remuneration in the industry, volume of the Company's business and profits earned by it and the responsibilities shouldered by the director concerned. The remuneration limits shall be as prescribed by Section 197 read with Schedule V of the Act and Rules made thereunder.

Executive Directors shall not be paid sitting fees for attending the meetings of the Board and its Committees.

6. Remuneration of Non-Executive Directors:

i) Remuneration/Commission

The remuneration/commission shall be in accordance with the provisions of the Act and Rules made thereunder and the Listing Regulations for the time-being in force.

ii) Sitting Fees

Sitting fees shall be paid for attending meetings of the Board and its Committees, provided that the same shall not exceed the maximum amount provided in the Act and Rules made thereunder and the Listing Regulations.

iii) Limit of Commission

Remuneration in the form of commission shall not exceed 0.5% of the net profits of the Company computed as per the applicable provisions of the Act and Rules made thereunder and the Listing Regulations as approved by members.

7. Share based payments:

Promoter Directors and Independent Directors will not be entitled to any stock options or stock appreciation rights programme implemented by the Company.

8. Frequency/Quorum of NRC meetings:

Pursuant to Regulation 19(3A) of the Listing Regulations, the NRC shall meet at least once in a year or at such intervals as may be necessary. The NRC may also transact business vide Circular Resolutions as it may deem fit.

Pursuant to Regulation 19(2A) of the Listing Regulations, the quorum for the meeting of the NRC shall be either two members or one third of the strength of the NRC, whichever is greater, including at least one independent director in attendance.

9. Disclosure:

This Policy and the evaluation criteria shall be disclosed in the Annual Report of the Company. This Policy and amendments shall be uploaded on website of the Company.

10. Amendments:

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.
