

Iberia Pharmaceuticals India Limited

**NOMINATION AND REMUNERATION POLICY INCLUDNG POLICY ON BOARD
DIVERSITY**

NOMINATION AND REMUNERATION POLICY INCLUDING POLICY ON BOARD DIVERSITY

PREAMBLE

In terms of the provisions of Section 178 of the Companies Act, 2013 ('Act') & rules made thereunder and Section 19, Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and upon due recommendation of Nomination & Remuneration Committee ('Committee'), the Board of Directors ('Board') of *Iberia Pharmaceuticals India Limited* ('the Company') have approved and adopted this Policy.

OBJECTIVES

The main objectives of this Policy are as follows:

- To formulate criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel, and other employees;
- Formulation of criteria for evaluation of Directors;
- Devising a policy on Board Diversity

While formulating the remuneration policy, to ensure that-

- The level and composition of remuneration are reasonable and sufficient to attract, retain, and motivate directors of the quality required to run the company successfully.
- The 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 company's operations and goals.
- Identifying the person who is qualified to become a Director or senior manager in accordance with the criteria laid down and recommending to the Board their appointment and removal. The Company shall disclose its remuneration policy and evaluation criteria in its annual reports.
- To have relevant experience and contributions to the deliberations of the Board and Corporate Governance

DEFINITIONS:

- a) **“Applicable Laws”** shall mean the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**), read with circulars, master circulars, notifications, clarifications and Industry Standards / Industry Standard Notes issued or notified by SEBI from time to time, the Companies Act, 2013 and the rules made thereunder, and any other applicable law, statute, enactment, ordinance, rule, regulation, guideline, policy, circular, notification, clarification, direction, listing requirement, judgment, decree, approval, order or other governmental instruction having the force of law, including those issued by SEBI, the Ministry of Corporate Affairs, stock exchanges or any other statutory, governmental or regulatory authority, as may be in force and applicable to the Company from time to time.

- b) **"Independent Directors"** means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- c) **"Nomination and Remuneration Committee"** ("the Committee"), by whatever name called, shall mean a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- d) **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him/her and includes perquisites as defined under the Income-tax Act, 1961;
- e) **"Key Managerial Personnel"** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.
- f) **"Senior Managerial Personnel / Senior Management"** shall mean the officers and personnel of the company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors.

Words and expressions used in this Policy but not defined above, shall have the same meaning as ascribed to them under applicable laws.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the "Nomination and Remuneration Committee. The Constitution is in line with the requirements under the Companies Act 2013 ("Act") and the SEBI Listing Regulations. The Board has the authority to reconstitute this Committee from time to time.

This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together. The Board has the authority to reconstitute this Committee from time to time.

SELECTION OF NEW DIRECTORS

Factors to be considered when reviewing a potential candidate for Board appointment include, without limitation:

- 1) To have relevant experience in Finance/ Law/ Management/ Sales/Marketing/ Administration/ deliberations of the Board/Corporate Governance or other disciplines related to the company's business.

- 2) The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- 3) Potential conflicts of interest and independence.
- 4) He/ she is eligible for appointment/ re-appointment as Director and is not disqualified in terms of Section 164 & other applicable provisions of the Act and SEBI Listing Regulations.
- 5) His/ her total number of directorships in the companies is within the limits prescribed under the Act and SEBI Listing Regulations.

In case of Independent Directors, evaluating the balance of skills, knowledge, and experience in line with the Company's description of the role and capabilities required of an independent director, as determined from time to time.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR

a) Qualifications of Director:

The director shall possess appropriate skills, experience, and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations, or other disciplines related and beneficial to the company's business.

b) Positive attributes:

A director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

c) Independence of Directors:

An Independent director should meet the requirements of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning the independence of directors.

All directors of a company should not be involved in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.

POLICY ON BOARD DIVERSITY

The Company recognizes the importance of a truly diverse Board in its success and believes that a diverse Board brings a different set of expertise & perspectives. Therefore, while evaluating a person for appointment/ re-appointment as Director or as KMP of the Company, the Company shall consider & evaluate various criteria and shall leverage difference in factors w.r.t. background, knowledge, skills, professional experience, educational, professional, cultural & geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience, understanding of the sector(s) & industry(ies) in which Company operates & other disciplines relevant to the Company's business.

The Company should endeavor to have a mix of Directors with experience in diverse fields, viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations, and other disciplines related and beneficial to the Company's operations.

REMUNERATION POLICY

In discharging its responsibilities, the Nomination and Remuneration Committee must have regard to the following policy objectives:

- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- to attract and retain skilled executives;
- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns;
- to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure any termination benefits are justified and appropriate, and
- To consider professional indemnity and liability insurance for Directors and senior management

While determining the remuneration of Directors, KMP, Senior Management Personnel, and other employees, the following criteria shall be considered:

- The level and composition of remuneration is sufficient to attract, retain, and motivate directors & other employees of the quality required to operate the Company.
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- The remuneration is a balance between fixed and variable pay, reflecting both short- and long-term performance objectives.
- The Committee must at all times have regard to, and notify the Board, as appropriate, of all legal and regulatory requirements, including any shareholder approvals that are necessary to obtain.

Remuneration to Non-Executive Directors (NED's):

All NED's, including Independent Directors, shall be eligible for the following remuneration:

- a) **Sitting fee:** The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed INR One lakh per meeting of the Board or Committee. The quantum of sitting fees will be determined in accordance with the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further, the boarding, lodging and other incidental expenses incurred on behalf of the Company shall be reimbursed to the Directors;
- b) **Annual Commission:** The profit-linked Commission, if any, shall be paid within the monetary limit approved by the Board/ Shareholders of the Company, subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations and Companies Act, 2013.

Remuneration to Whole-time directors, Key Managerial Personnel, Senior Management & other employees:

The objective of the policy is to establish a compensation philosophy and structure that will reward and retain talent.

The remuneration (including revision in the remuneration) of Executive Directors shall be approved by the Board on the basis of the recommendation of the Committee and the remuneration of Key Managerial Personnel, Senior Management and other employees (other than Directors), shall be as per the HR policies of the Company.

While deciding the remuneration package, the current employment scenario and the remuneration packages of industries operating in similar or comparable businesses in the geographical area of its operations should be considered.

The remuneration payable may consist of the following:

- a) Fixed Pay shall include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation & other perquisites as per the Company's policy;
- b) Variable Pay directly linked to the performance of the individual employee; and
- c) Long-term incentive/ ESOPs, if any, as may be decided by the Committee from time to time.

POLICY REVIEW

Any change in the governing laws affecting the change in period of preservation of documents & records shall prevail over this Policy. The management of the Company is authorized to amend the Policy to give effect to any direction of the Ministry of Corporate Affairs, the Securities and Exchange Board of India, or any appropriate authority from time to time.

The Board may, subject to applicable laws, amend any provision(s) or substitute any provision (s) with new provisions, or replace the Policy entirely with a new Policy.

RETIREMENT BENEFITS

The remuneration of Executive Directors, Key Managerial Personnel, and Senior Management is fixed by the Board, based on the recommendation of the Nomination and Remuneration Committee, taking into account an individual's qualifications, experience, expertise, core competencies, job profile, positive attributes, and industry standards. Based on the comparison of the Company's actual performance with the annual budgets, the Nomination and Remuneration Committee recommends to the board of directors the quantum of Commission payable to Executive Directors. As regards the Key Managerial Personnel who are not on the Board, variable pay will be based on a weighted average factor of individual performance, department performance, and the Company's performance.

AMENDMENT AND MODIFICATIONS

This policy will be reviewed periodically by the Board/Committee as may be deemed necessary to comply with any regulatory amendments or statutory modifications, and subject to the necessary approvals of the Board of Directors for material changes to the Policy.

VALIDITY AND ENFORCEABILITY

In the event of any subsequent changes to the provisions of the aforementioned statutes, those statutes would prevail over the Policy, and the Policy's provisions would be modified in due course to be consistent with prevailing law. Any subsequent amendment/modification in SEBI Listing Regulations, Act, and/or applicable laws in this regard shall automatically apply to this Policy.

Particular	Details
Policy Name	Nomination and Remuneration Policy including Board Diversity
Regulatory Reference	Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)
Applicable Regulation	Section 178 of the Companies Act, 2013 and Regulation 19 of LODR
Adopted On	21-Jan-26
Approved On	21-Jan-26
Version	Version 1.0
Drafted By	CS & Legal Department
Approved By	Board of Directors