

## **NOMINATION AND REMUNERATION POLICY**

### **1.0. INTRODUCTION**

PREMIER POLYFILM LIMITED (the “Company” or “PPL”) has always considered its human resource as its prime driving force. The Company has adopted a policy which covers a whole gamut of human resource functions such as the recruitment, promotion, training and development. These policies have been adopted by the Board of Directors of the Company (“Board”) and amended from time to time by the competent authority.

The Company’s Board has constituted a Nomination and Remuneration Committee (the “Committee”) consisting of three or more non-executive directors out of which not less than one-half are independent directors and the Chairman of the said Committee is an independent director. The Company, taking forward its compliance with the regulatory requirements has formulated a Nomination and Remuneration Policy (the “Policy”) pursuant to the requirements of Section 178 of the Companies Act, 2013 read along with rules framed thereunder, as amended from time to time (the “Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”). The above statutory provisions are reproduced in Annexure I.

2.0. The Policy has been formulated by the Company and the same was recommended for approval of the Board.

### **3.0. OBJECTIVES**

The objectives and purpose of this Policy are:

- 3.1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (Whole-time/non-executive/independent) of the Company (“Director”);
- 3.2 To recommend candidates for appointment as Directors, KMP and Senior Management;
- 3.3. To establish and review succession plans of the Board of Directors of the Company (“Board”), KMP and Senior Management;
- 3.4. To recommend policy relating to appointment and removal of Directors, KMP and Senior Management.
- 3.5. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management/ other employees to the Board;
- To review and approve corporate goals and objectives relevant to the compensation of the whole-time directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board),
- To determine and approve whole-time Directors’ compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

### **4.0. DEFINITIONS**

- i. “Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. “Board” means Board of Directors of the Company.
- iii. “Company” means Premier Polyfilm Limited (PPL)
- iv. “Directors” mean Directors of the Company.
- v. “Key Managerial Personnel” (KMP) means a. Chief Executive Officer or the Managing Director or the Manager or the Whole- time director; b. Chief Financial Officer; and Company Secretary;
- vi. “Senior Management” mean personnel of the Company other than KMP who are members of its core management team excluding the Board of Directors. This would include all members of management one level below the Executive Directors including all functional heads.
- vii. “Committee” means the Nomination and Remuneration Committee of the Company

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.

## **5.0. COMMITTEE**

- 5.1. The Nomination and Remuneration Committee;
- 5.2. The Committee shall comprise of at least three non-executive directors, of which not less than one-half shall be independent directors;
- 5.3. The company secretary of the Company shall act as secretary to the Committee;
- 5.4. Terms of reference of the Committee shall be continued unless terminated by the Board;
- 5.5. The Chairperson of the Committee shall be an Independent Director;
- 5.6. Chairperson of the Company may be appointed as a member of the Committee but shall not chair such Committee;
- 5.7. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson other than chairperson of the Company;
- 5.8. Chairperson of the Committee meeting may be present at the annual general meeting of the Company or may nominate some other member to answer the shareholders queries;
- 5.9. The meeting of the Committee shall be held at such regular intervals as may be required;
- 5.10. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **6.0. ROLES AND RESPONSIBILITIES OF THE COMMITTEE:**

- 6.1 Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-executives of the company;
- 6.2 Formulation and modification of schemes for providing perks and allowances for officers and Non-executives as per the guidelines/directions of the Govt. of India;
- 6.3 Exercising such other roles assigned to it by the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and any other laws and their amendments from time to time.

## **7.0. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS:**

### **A. Appointment criteria and Qualifications:**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management Level and recommend his/her appointment to the Board.
- ii. Appointment of a Person to the position of Director (including Independent Director) shall be subject to compliance of the provisions of the Companies Act 2013, the Rules made there under and any amendments made thereunder from time to time.
- iii. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

### **B. Evaluation:**

The Committee shall ensure that the evaluation of performance of every Director is carried out at regular interval (yearly).

### **7.1 Appointment of Senior Management**

The Committee will recommend the persons who may be appointed in the Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal. In this respect, the criteria laid down in the Board approved HR policy would be followed. The Committee would then consider the proposals and recommend the same to the Board for approval.

## **7.2 Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 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, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **8. REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT**

### **A. General**

- i. The remuneration / compensation / commission etc. to the Managing Director/ Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval wherever required as per the law.
- ii. The remuneration/ compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. The remuneration and commission to be paid to the Whole-time Director/Managing Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director/Managing Director.
- iv. 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.
- v. Where any insurance is taken by the Company on behalf of its Whole-time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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.

### **B. Remuneration to Managing Director /Whole-time Director, KMP and Senior Management Personnel:**

- i. **Fixed pay:**  
The Managing Director / Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder for the time being in force. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board and approved by the shareholders and Central Government, wherever required.
- ii. **Minimum Remuneration:**  
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government, if required as per provisions of Section 197 of the Companies Act, 2013.
- iii. **Provisions for excess remuneration:**  
If any Managing Director, Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by provisions of Section 197 of the Companies Act, 2013 including any amendments from time to time.

**C. Remuneration to Non- Executive/ Independent Director:**

- i. Remuneration / Commission: The remuneration/commission shall be fixed in accordance with the provisions of the Companies Act, 2013 and Rules made there under.
- ii. Sitting Fees: The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof and that such fees shall not exceed the maximum amount as provided in the Companies Act, 2013.
- iii. Commission: Commission may be paid within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Companies Act, 2013, as amended from time to time.
- iv. Stock Options: Pursuant to the provisions of the Companies Act 2013, an Independent Director shall not be entitled to any stock option of the Company. D. Remuneration to KMP and Senior Management Personnel: The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as May approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

**VIII. Review and Amendment**

- i. ii. The Committee or the Board may review the Policy as and when it deems necessary. This Policy may be amended or substituted by the Committee or by the Board as and when required.

**9.0. IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members. This Policy shall be reviewed by the Committee as and when any notification or amendments are notified by the regulatory authorities affecting the policy formed hereinabove. Any changes or modifications in the Policy as recommended by the Committee would be submitted for approval of the Board. The Policy shall be effective from the date of approval by the Board, unless specified otherwise.

**10.0. DISSEMINATION OF POLICY**

This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Board's Report.

**11.0. AMENDMENT(S)**

The Board may review or amend this Policy, in whole or in part, from time to time, after taking into account the recommendations from the Committee.

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