



Nomination and Remuneration Policy

This Nomination and Remuneration Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Resins & Plastics Limited (the “Company”)

TERMS OF REFERENCE:

The terms of reference of the Nomination & Remuneration Committee (NRC), inter alia, consists of reviewing overall compensation policy, service agreements, performance incentive and other employment conditions of Managing Director / Whole-Time Director, Key Managerial Personnel (KMP’s) and Senior Management personnel. The recommendations of the NRC are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

DEFINITIONS:

- **Managing Director (MD) / Whole-Time Director** means a director, appointed by the Board of Director by virtue of the Articles of the Company under an agreement which has been approved by the members in the general meeting and is entrusted with substantial power of management of the affairs of the Company.
- **Non-Executive Directors (NED)** in relation to the Company means a member of the Board of Directors who is not in the employment of the Company.
- **Independent Director (ID)** in relation to the Company shall have the same meaning as defined under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- **Key Managerial Personnel (KMP) (Section 203):** Key Managerial Personnel means:
 - a) Chief Executive Officer/Managing Director/ Whole-time Director;
 - b) Company Secretary,
 - c) Chief Financial Officer; and
 - d) Such other officer as may be prescribed.
- **Senior Management Personnel (SMP):**
The term “Senior Management Personnel” means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.



THIS POLICY IS IN COMPLIANCE WITH SECTION 178 OF THE COMPANIES ACT, 2013 READ ALONG WITH THE APPLICABLE RULES THERETO AND CLAUSE 49 IV B UNDER THE LISTING AGREEMENT:-

❖ Purpose

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

❖ Accountabilities

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

• Role of Nomination and Remuneration Committee:-

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of KMP and SMP.
- c) to carry out evaluation of Director's performance and recommend to the Board appointment/removal based on his/her performance.
- d) to recommend to the Board on
 - (i) Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and
 - (ii) Managing Directors remuneration and incentive.
- e) to ensure Board Diversity through Board members who come from various different fields e.g. Accounts, Finance, Technical, Legal, Business, etc.

• The Nomination and Remuneration Committee comprises of the following:

- a) Consist of a minimum 3 Non-Executive directors, majority of them shall be Independent Directors.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.



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- c) Chairman of the Company can be the member of the NRC.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

- Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the NRC meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

- Frequency of meetings:

- a) 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.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

- Secretary:

The Company Secretary of the Company shall act as Secretary of the Committee.

- Voting:

- a) Matters arising for determination at Committee meetings shall be decided by majority of votes of Members present and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

- Minutes of Committee Meeting:

Proceedings of all meetings must be noted in the Minute Book and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

- Letters of Appointment:

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.



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- Disclosure of Information:

The company shall disclose the remuneration policy and the evaluation criteria in the Annual Report.

EVALUATION/ ASSESSMENT OF DIRECTORS/ KMPs/SENIOR OFFICIALS OF THE COMPANY:

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources
- Review & approval achievement of strategic and operational plans, objectives and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

The guiding principle for the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.



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The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance in accordance with the limits as prescribed statutorily.

While determining the remuneration policy and arrangements for Whole-time / Managing Director(s) / Key Managerial Persons (KMP), Senior Management Personnel (SMP), the NRC considers, pay and employment conditions with peers/elsewhere in the competitive market to ensure that pay structures are appropriately aligned and those levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration up to five percent of the net profits of the Company to any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.



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- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.