

Nomination and Remuneration Policy

UNIPRODUCTS (INDIA) LIMITED

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. OBJECTIVES

The key objectives of the Committee and Policy would be:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director.
- b. To recommend a policy relating to the remuneration of directors, key managerial personnel ("KMP"), Senior Management Personnel ("SMP") to the Board.
- c. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- d. To identify persons who are qualified to become directors and those who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- f. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- g. To ensure that 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 working of the company and its goals.

3. EFFECTIVE DATE OF THE POLICY

This policy shall be effective from the date of approval by the Board or any amendment made thereof from time to time.

4. DEFINITIONS

- a. "Act" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

- b. "Board" means Board of Directors of the Company.
- c. "Committee" means Nomination and Remuneration Committee as constituted or reconstituted by the Board.
- d. "Company" means Uniproducts (India) Limited.
- e. "Directors" means the directors appointed to the Board of the Company.
- f. "Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.
- g. "Key Managerial Personnel" means
 - i. Chief Executive Officer or the Managing Director or the Manager
 - ii. Company Secretary
 - iii. Whole Time Director
 - iv. Chief Financial Officer
 - v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - vi. Such other Officers as may be prescribed
- h. "Policy" means Remuneration Policy.
- i. "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.
- j. "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors.

Unless the context otherwise provides, terms not defined herein and used in this Policy, shall bear the same meaning as prescribed under the Act, or any other relevant law.

5. **APPLICABILITY**

This policy is applicable to all directors (Executive and Non-Executive), Key Managerial Personnel, Senior Management Personnel and other employees of Uniproducts (India) Limited.

6. **CONSTITUTION OF COMMITTEE**

- a. The Remuneration Committee of the Board of Directors shall be named as Nomination and Remuneration Committee (NRC). Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive Directors out of which not less than one-half shall be independent directors.
- b. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

- c. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- d. Chairman of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- e. Chairman of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.
- f. The meeting of the Committee shall be held at such regular intervals as may be required.
- g. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- h. Proceedings of all meetings must be minuted 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.
- i. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- j. 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.
- k. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- b. Identify persons who are qualified to be appointed as Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- c. Recommend to the Board, the appointment and/or removal of Director, KMP and Senior Management Personnel.

8. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL**a. Appointment criteria and qualifications**

- i. The Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for deciding upon his/her suitability for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is 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.
- iii. The Company shall not appoint or continue the employment of any person as Wholetime Director after he/she has attained the age of seventy years. Provided however that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

b. Term / Tenure**i. Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

ii. 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 on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that 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.
- At the time of appointment of Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed Companies as an Independent Director in case such person is serving as a Whole time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The evaluation criteria will be based on various parameters such as attendance and participation in board, committee and general meetings, preparation and contribution, knowledge and communication, independence of judgement, safeguarding the interest of the Company and others.

d. Removal

The Committee may recommend to the Board, with reasons to be recorded in writing, the removal of a Director, KMP or Senior Management Personnel who has incurred any disqualification mentioned in the Companies Act, 2013, the rules made thereunder or under any other applicable Act, rules and regulations.

e. Retirement

The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain any such Director, KMP, Senior Management Personnel at the same position / remuneration or otherwise even after attaining the retirement age, if such retention is considered to be for the benefit of the Company.

9. **POLICY RELATING TO THE REMUNERATION OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL**

a. General

- i. The remuneration /compensation/ commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
- iii. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the amounts/criteria approved by the Shareholders in the case of Whole-time Director.

- iv. Where any insurance is taken by the Company on behalf of its Whole-time 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..
 - v. Increments to KMPs (other than Managing or Whole Time Director) and Senior Management Personnel may be decided by the Managing Director within the limitations placed by the macro-economic conditions and performance of the company.
- b. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel
- i. Remuneration

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration and/or annual components as may be approved by the Board on the recommendation of 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 decided and approved by the Board on the recommendation of the Committee 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 Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
 - iii. Provisions for excess remuneration

If any 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 the Central Government.
- c. Remuneration to Non- Executive / Independent Director
- i. Sitting Fees

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or a Committee thereof. Provided that the amount of such fees shall not exceed shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

ii. Remuneration/Profit Linked Commission

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

iii. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

10. REMUNERATION OF OTHER EMPLOYEES

Remuneration and increments to other employees may be decided by the Managing Director within the limitations placed by the macro-economic conditions and performance of the company.

11. DISCLOSURES

The details of this Policy shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

12. POLICY ON LOANS/ADVANCES TO EMPLOYEES

Loans/advances to employees may be given by the Company in accordance with the terms and conditions of service and the Company's HR Policy for giving loans/advances.

13. POLICY REVIEW

- a. This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.