

“NOMINATION AND REMUNERATION POLICY”
PERFECTPAC LIMITED
APPROVED IN BOARD MEETING HELD ON 28TH MAY, 2015

1. **PREAMBLE**

The remuneration policy of Perfectpac Limited (“the Company”) is designed to improve productivity, good corporate governance as well as sustained long term value creation.

This policy applies to Directors, Key Managerial Personnel and Senior Management.

2. **DEFINITIONS**

2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2. **Board** means Board of Directors of the company.

2.3. **Directors** mean Directors of the company.

2.4. **Key Managerial Personnel** means:

2.4.1. Chief Executive Officer or the Managing Director;

2.4.2. Whole-time director;

2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. Such other officer as may be prescribed.

2.5. **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors but including Functional Heads.

3. **GUIDING PRINCIPLES**

The Board in its meeting held on November 10, 2014 changed the nomenclature of the Remuneration Committee as “Nomination and Remuneration Committee” and reconstituted the Committee.

The Nomination and Remuneration Committee and this policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

4. **ROLE OF THE COMMITTEE**

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

a. To formulate a criteria for determining qualification, positive attributes and independence of directors and to recommend to the Board a policy relating to the remuneration of the directors, KMP and other employees;

b. To formulate criteria for evaluation of independent directors and the Board;

- c. To devise a policy on Board diversity;
- d. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal;
- e. To carry out any other function as is mandated by the Board from time to time and to perform such other functions as may be necessary or appropriate for the performance of its duties.

5. **CHAIRMAN**

- a. The 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.

6. **FREQUENCY OF MEETING**

The meeting of the Committee shall be held at such regular interval as may be required.

COMMITTEE MEMBERS' INTERESTS

- 6.1. 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.
- 6.2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. **SECRETARY**

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

8. **DIRECTORS' REMUNERATION**

Non-Executive Directors are paid remuneration in the form of sitting fees for attending the Board Meetings and Committee Meetings as fixed by the Board of Directors from time to time, subject to statutory provisions.

While deciding the remuneration of Managing Director and Whole-time Directors, the Nomination and Remuneration Committee and the Board should consider pay and employment conditions in the industry and merit and seniority of the person.

The term of office and remuneration of whole time directors are subject to approval of the Board of Directors, shareholders and the limit laid down under the Companies Act, 2013 from time to time.

9. **KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT**

Appointment of KMP and senior management and their cessation of the service are subject to the approval of the Nomination and Remuneration Committee and Board

of Directors. Remuneration of KMP and senior management is decided by the Managing Director on the recommendation by the Whole Time Directors / Executive Directors concerned.

10. **DISCLOSURE OF INFORMATION**

The information of remuneration may be disclosed in the Company's annual financial statements as per statutory requirements.

11. **APPLICATION OF THE REMUNERATION POLICY**

This Remuneration Policy shall continue to guide all future employment of Directors, KMP and Senior Management.