

## NOMINATION AND REMUNERATION POLICY

*[Pursuant to provision of the clause (e) of sub section (3) of the section 134 and sub section (3) of section 178 of the Companies Act, 2013]*

### THE PRIMARY PURPOSE OF THE COMMITTEE, AMONG OTHER THINGS, IS TO DETERMINE AND PROPOSE THE FOLLOWING FOR BOARD'S APPROVAL: -

- Identify persons who are qualified to become Directors and who may be appointed as key managerial personnel and senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Carry out evaluation of every Director's performance along with the Board.
- Formulate the 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.
- Formulate the criteria for performance evaluation of Independent Directors and the Board.
- Devise a policy on Board diversity.
- Evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

### COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

S.N.	Particulars	DIN	Designation
1.	Mr. Joginder Pal Dua	02374358	Independent Director
2.	Mr. Sachin Kumar Agarwal	02310154	Non-executive Director
3.	Mrs. Jyoti Singhal	11055033	Independent Director

### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee has adopted a policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

#### 1. CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

- b) In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c) The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d) The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
  - Qualification, expertise and experience of the Directors in their respective fields
  - Personal, Professional or business standing.
  - Diversity of the Board.
  - Another positive attribute as may deem fit.
- e) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## 2. REMUNERATION

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed here under:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## 3. MANAGING DIRECTOR & WHOLE TIME DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria regarding age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

## REMUNERATION FOR THE MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

- i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the

- iv.
- v.
- vi. nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- vii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- viii. The remuneration of the Managing Director or Whole Time Director shall comprise only of the fixed component. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits.

## REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

- i. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the relationship of remuneration and performance benchmark is clear.
- ii. The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

## KEY CONSIDERATIONS FOR SETTING THE WHOLE TIME DIRECTOR (WTD) COMPENSATION

The committee in its recommendation had laid down the following consideration for setting the whole time director's compensation:

- i. The compensation needs to be in line with the provisions of companies act, 2013.
- ii. The compensation need to take into account market factors both for the directors and their direct reports. Given that the directors have significant shareholding the company we believe that director's salaries do not need to be at the market level. However, as professionals, directors need to be paid a fair compensation for the executive and operational responsibilities they carry out for Bindals Papers Mills Limited. Therefore, their compensation still needs to be pegged to the market salary; this will ensure that directors receive a fair compensation and more importantly there is "headroom" to pay competitive salaries to the director's direct reports and for attracting new talent in the company.