

SPL Industries Limited

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NOMINATION AND REMUNERATION POLICY

Preamble

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 as amended from time to time this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors, Board, Key Managerial and Senior Management Personnel.
- To provide them reward/bonus linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

This policy has been framed in compliance of the provisions of section 178 of the Companies Act, 2013 and Rules made thereunder and relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Definitions:

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means SPL Industries Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel means-
 - the Chief Executive Officer or the Managing Director or the Manager;
 - the Whole-Time Director;
 - the Chief Financial Officer;
 - the Company Secretary;
 - 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
 - such other officer as may be prescribed.
- Senior Management Personnel for the purpose of Remuneration Policy means employee/s of the Company occupying the position in the grade/designation of Manager and above and shall also include all Functional Heads of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability: The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

Constitution of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and the duties, functions scope of the Committee shall be as per the provisions of Section 178 of the Companies Act, 2013.

S. No.	Name of Member	Position
1.	Mr. Sudepta Ranjan Rout	Chairman
2.	Mr. Vikas Jalan	Member
3.	Mr. Varun Bansal	member

General Policy Statement:

This Policy is performance driven and is structured to motivate the Directors and the employees of the Company, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by Business or Functional Heads through annual appraisal process, jointly with HR Head. The Company endeavours to attract, retain, develop and motivate high performance employees which will ensure long term sustainability of the Company and create a competitive advantage.

Role of the Nomination and Remuneration Committee:

The Committee will perform based on the following:

- To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management, Nomination and Remuneration Policy
- To recommend to the Board, appointment and removal of the Director[s] and evaluation of each Director's performance,
- To formulate criteria for determining qualifications, positive attributes and independence of a Director,
- To review on annual basis the compensation to the Non-Executive Directors and Senior Management and recommend to the Board the remuneration and incentive payable to each of them,
- Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks,
- To develop and review the succession plan for the Board.

Membership, Chairman and Secretary:

- The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them shall be Independent Directors,
- The presence of minimum two members of the Committee shall constitute a valid quorum,
- The Chairman of the Committee shall always be an Independent Director,
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to be the Chairman for that meeting,
- The Company Secretary of the Company shall act as the Secretary to the Committee.

Duties for Nominations:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness,
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the provisions of Companies Act, 2013 and the Listing Regulations,
- Determining the appropriate size, diversity and composition of the Board,
- Selecting new Directors for appointment on the Board in a transparent manner,
- Reviewing succession of the Board and Senior Management on regular interval,
- Reviewing the performance of the Board and Senior Management to achieve the Company's business goals.

Duties for Remuneration:

The duties of the Committee in relation to remuneration matters shall include:

- i. To ensure that the remuneration is reasonably and sufficiently paid in order to attract, retain and motivate the Board members, based on the performance of the Company and such other factors as the Committee shall deem appropriate,
- ii. To review and recommend the remuneration of Senior Management maintaining a balance between fixed and incentive pay based on the working of the Company,
- iii. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

Overall remuneration to the Directors:

The overall remuneration to all Directors shall not exceed 11% of the net profits of the respective financial year and the remuneration and / or commission to the Executive and Non-Executive Directors shall be paid in accordance with the approval of the shareholders. The sitting fees to Non-Executive Directors shall not be part of the overall remuneration under this Para.

Pursuant to the amendment in section 197 and Schedule V of the Act, in case of loss or profits are inadequate in any financial year, the Company shall be entitled to make payment of remuneration to the Non-Executive Directors and Independent Directors within the limits prescribed under Schedule V of the Act, provided however, that such payment shall be subject to necessary approval from the shareholders.

Expenses incurred for attending meetings:

The Company shall make an arrangement and pay the amount towards hotel accommodation, air/other travel, any transportation cost, etc. for Directors, while attending any Board or Committee meeting. If any arrangement is made by the respective Director, the Company shall immediately reimburse the amount spent on submission of original bills, vouchers and receipts. The Company Secretary and Compliance Officer shall be authorised for incurring such expenditure or reimbursing the expenses, as the case may be.

Payment of Sitting Fees to the Non-Executive Directors:

The Company shall pay sitting fees to the Non-Executive Directors for attending Board and Committee Meetings. The Nomination and Remuneration Committee shall recommend to the Board any increase in the payment of sitting fees, within the permissible limits and subject to such approvals as may be required under the Companies Act, 2013 or the Listing Regulations.

Payment of Remuneration to Executive Directors:

The Company shall pay remuneration to Managing / Whole Time Directors as per their respective terms of appointment approved by the shareholders within the limits prescribed under the Companies Act, 2013. The Nomination and Remuneration Committee will recommend the remuneration payable to the Managing Director to the Board. At the end of tenure of appointment of any Independent Director and the Managing Director, the Committee will recommend to the Board the broad terms and conditions and remuneration payable to them, which will be subject to the provisions of applicable law and approval of shareholders at a General Meeting.

The Board of Directors while approving the remuneration payable to the Executive / Non-Executive Directors shall consider the recommendations of the Nomination and Remuneration Committee.

Minutes of the Committee Meetings:

The Company Secretary shall record the proceedings of the meetings of the Committee and circulate the draft to the members of the Committee within 15 days. The minutes recorded in the minute book, shall be signed by the Chairman of the respective meeting or the Chairman of the next Committee Meeting.