



# Purity Flexpack Limited

## NOMINATION & REMUNERATION POLICY

### 1. Introduction

The Nomination & Remuneration Policy (“Policy”) of Purity Flexpack Limited (“the Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

### 2. Purpose

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration and to carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To develop a succession plan for the Board and to regularly review the plan.
- To devise a policy on Board diversity.

### 3. Objective

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

#### 4. Terms and References

Unless defined elsewhere in this Policy, the following terms shall have the following meanings:

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

4.2. “**Director**” means a director appointed to the Board of the Company.

4.3. “**Key Managerial Personnel**” means

(i) the Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director

(ii) the Company Secretary;

(iii) the Chief Financial Officer; and

(iv) such other Officer as may be prescribed under the Companies Act, 2013

4.4. “**Senior Management**” means officers/personnel of the Company who are members of its core management team. The core management team includes Chief Executive Officer, Managing Director, Chief Operating Officer & Whole-time Director, Presidents, Group General Counsel, Head-HRD, Chief Financial Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4.5. “**Nomination and Remuneration Committee**” means the committee constituted by the Company Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

4.6. “**Independent Director**” means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

#### 5. Performance Evaluation

The evaluation of Directors, KMP and Senior Management Personnel shall be conducted yearly or at such intervals as may be considered necessary.

#### 6. Role of the Nomination and Remuneration Committee

Role of committee shall, inter-alia, include the following:

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- 5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 6) recommend to the board, all remuneration, in whatever form, payable to senior management.

### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT EMPLOYEES**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and SMPs and recommend to the Board his / her appointment.

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 are sufficient / satisfactory for the concerned position.

#### **Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its executive Chairperson, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Companies Act, 2013. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company.

#### **Independent Director**

An independent director shall hold office for a term in accordance with the Companies Act, particularly Section 149 of the Companies Act, and will be eligible for reappointment 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.

#### **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **Retirement**

The Director, KMP 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 the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

The remuneration to Key Managerial Personnel and Senior Management employees shall consist of fixed pay and/or incentive pay, in compliance with the provisions of the Act and in accordance with the Policy. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The Incentive pay shall be decided based on the balance between performance of the Company vis-à-vis Key Managerial Personnel and Senior Management employees to be decided annually or at such intervals as may be considered appropriate.

### **Amendments and Updation**

The Nomination & Remuneration Committee shall periodically review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Companies Act and the Listing Regulations.

In case of any inconsistencies between the Policy and the Companies Act, the provisions of the Companies Act shall prevail.