

AGARWAL

DUPLEX BOARD MILLS LTD.

Agarwal Duplex Board Mills Ltd.

(CIN: L99999DL1984PLC019052)

Regd. Office: 217, Aggarwal Prestige Mall, Plot No. 2, Community Center, Along
Road No. 44, Pitampura, New Delhi – 110034
Website: www.agarwalduplex.net; Tel.: +91 11 47527700,
Fax - +91 11 47527777

NOMINATION AND REMUNERATION POLICY

PURPOSE

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

The Committee reviews and where required, approves the human resource policies, remuneration proposals, succession planning, evaluation of performances and development plans of Key Managerial Personnel, Senior Management and other employees of the Company. It also provides support in handling the nomination and remuneration proposals for the Board members including Independent Directors.

Preamble

The Board of Directors of Agarwal Duplex Board Mills Limited ("the Company") has constituted the "Nomination and Remuneration Committee". The constitution of Nomination and Remuneration Committee and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Role of the Nomination and Remuneration Committee (NRC)

The role of NRC shall inter alia include the following-

- a) Formulation of criteria for determining qualifications positive attributes and Independence of a director and recommend to the Board a policy relating to the remuneration of directors key managerial personnel and other employees;
- b) For every appointment of Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation prepare a description of the role and capabilities required for independent director and based on the capabilities identified in such description recommend to the Board for appointment of independent director;
- c) Formulation of criteria for evaluation of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) 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 their appointment and removal;
- f) Whether to extend or continue the term of appointment of independent director based on the performance evaluation;
- g) Recommend to the board, all remuneration, in whatever form, payable to senior management.

The term “senior management” means Officers/personnel of the company as defined under SEBI (LODR) Regulations, 2015 as amended from time to time.

3. Objective

The objective of this policy is to guide the Board of Directors of the company on:

- a) Appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) Evaluate the performance of the Directors, Key Managerial Personnel and Senior Management;
- c) Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- d) Board diversity; and
- e) Succession plan for Directors, Key Managerial Personnel and Senior Management.

4. Board Diversity

The Board of Directors shall have the optimum combination of executive and non-executive directors and at least one women director. The Board shall comprise of people with requisite skills/expertise/competencies identified by the Board of Directors.

5. 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

- a. 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.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- 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 hereunder:

- 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 with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. 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 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.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. 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.

5. 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.

6. Evaluation of performance of a Director/KMP/Senior Management Personnel

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

7. Removal of a Director/KMP/Senior Management Personnel

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

8. Retirement of a Director/KMP/Senior Management Personnel

The Directors including Managing Director/Whole-time Directors etc., are liable to retire as per the applicable provisions of the Companies Act, 2013 for the time being in force (including any statutory modification(s) or re-enactment(s) thereof) read with resolutions passed by the Board/members of the company from time to time.

In accordance with the prevailing policy of the company, the other Key Managerial Personnel viz. Company Secretary, Chief Financial Officer and Senior Management Personnel are liable to retire on completion of sixty (60) years of age. The Board of Directors based on the recommendation Committee will have the discretion to retain the KMP/ Senior Management Personnel in the same position/remuneration or higher position/remuneration or otherwise even after completion of the retirement age of sixty (60) for the benefit of the Company.

9. Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

10. Amendment to the Policy

The Board of Directors on its own and/or on the recommendations of the Committee may review/amend this policy as and when they deem necessary.