



SUNDARAM MULTI PAP LIMITED

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NOMINATION, REMUNERATION, AND EVALUATION POLICY

Purpose:

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

Accountabilities

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

Membership:

The Members of the Committee will be appointed and removed by and shall serve at the discretion of the Board. The Board may remove any member from the committee at any time with or without cause.

The Committee shall consist of at least three directors, all of whom shall be non-executive directors and at least half shall be Independent.

Minimum two (2) members shall constitute a quorum for the Committee meeting.

Membership of the Committee shall be disclosed in the Annual Report.

Chairman

- a. Chairman of the Committee shall be an Independent Director
- b. The Chair person of the company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair such Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.



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Definitions

a. Key Managerial Personnel: Key Managerial Personnel means—

- (i) Chief Executive Officer or the managing director or the manager;
- (ii) Company Secretary,
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) such other officer as may be prescribed.

b. Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Objective of the Policy

The policy is framed with the objective(s):

- a. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- b. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c. That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- d. To guide the board in relation to appointment and removal of directors, Key Managerial Personnel and Senior Management Personnel.
- e. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

Role of Committee

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

- a. to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b. to recommend to the Board the appointment and removal of Senior Management



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- c. to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d. to recommend to the Board on
 - (i) Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and
 - (ii) Executive Directors remuneration and incentive.
- e. to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f. ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan.

Frequency of Meetings

- a) The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Members' Interests

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

Secretary

- a. The Company Secretary of the Company shall act as Secretary of the Committee.

Voting

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.



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Nomination Duties

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

- a. Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board;
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j. Recommend any necessary changes to the Board.
- k. Considering any other matters as may be requested by the Board.

Remuneration Duties

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

- a. to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.



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- b. to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c. to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d. to consider any other matters as may be requested by the Board;
- e. Professional indemnity and liability insurance for Directors and senior management.

Minutes Of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.