

## APPOINTMENT AND REMUNERATION POLICY OF B J DUPLEX BOARDS LIMITED

### Introduction:

The **Nomination & Remuneration Policy** (“Policy”) of **B J Duplex Boards Limited** (“the Company”) is formulated with the prior recommendation of Nomination and Remuneration Committee and further approval of Board of Directors of the Company. The policy is being formulated in terms of the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

The Policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company.

### Definitions:

In this policy unless the context otherwise requires: -

**‘Act’** means the Companies Act 2013 and rules there under, as amended from time to time.

**‘Board’** means the Board of Directors of B J Duplex Boards Limited, as constituted from time to time.

**‘Committee’** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

**‘Company’** means B J Duplex Boards Limited.

**‘Director’** means a person as defined in Section 2(34) of the Companies Act, 2013 and presently appointed as a Director in the Company.

**‘Independent Director’** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules made thereunder read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**‘Key Managerial Personnel (KMP)’** (means)-

- a) the Managing Director or Chief Executive Officer or manager [if any];
- b) Whole time Director;

- c) Company Secretary;
- d) the Chief Financial Officer; and
- e) Any other person as defined under the Companies Act, 2013 from time to time

**'Listing Regulations'** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**'Senior Management'** means officers/personnel of the Company who are members of its core management team excluding Board of Directors and including members of Management one level below the Managing Director /Executive Directors (including Chief Executive Officer/Manager in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

*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.*

#### **Constitution of Committee:**

The Board has the power to constitute/ reconstitute the Committee from time to time to make it consistent with Company's policies and applicable statutory requirements. The composition of the Company shall be in line with the requirements of the Act and Listing Regulations.

The Company Secretary of the Company shall act as the Secretary of the Committee. Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continuing unless terminated by the Board of Directors.

#### **Objective and Purpose:**

The objectives and purpose of this Policy are:

- i. To guide the Board in relation to the appointment and changes in Directors and Key Managerial Personnel.
- ii. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company ("Director") and
- iii. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company ("Board"). This

- includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other Independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation that are subject to approval of the Board.
- iv. To decide whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors.
  - v. Consider any other matters as may be prescribed under the Act or Listing Regulations or as may be requested by the Board from time to time.

**Matters to be dealt with, perused and recommended to the board by the nomination and remuneration committee:**

- i. formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, Senior Management Personnel of the Company;
- ii. formulate the criteria for evaluation of performance of independent directors;
- iii. devising a policy on diversity the board of directors;
- iv. identify 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; and
- v. determining 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.
- vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

**Applicability:**

This 'Nomination and Remuneration Policy' of the Company is applicable on:

- i. Directors (Executive and Non-Executive);
- ii. Key Managerial Personnel;
- iii. Senior Management Personnel;

#### **Frequency of meetings:**

The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate with at least one meeting in a year.

The quorum for the Committee Meeting shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend the Annual General Meeting of the Company.

#### **Appointment Criteria and Qualifications:**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- ii. 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 is sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### **Term/ Tenure:**

- i. **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**ii. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment 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 of up-to maximum of 5 years each, 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.

**Policy on Board Diversity:**

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, Human Resource management, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least one women director.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**Removal:**

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, 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 Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act 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.

#### **Policy for remuneration to Directors/ KMPs/ Senior Management Personnel:**

**i. Remuneration to Managing/ Whole-Time / Executive/Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force.

**ii. Remuneration to Non-Executive/Independent Director:**

The Non-Executive Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Act. The amount of sitting fees shall be subject to limits as provided under the Act and rules made there under or any other enactment for the time being in force.

#### **Remuneration to other Employees other than Senior Management Personnel:**

- The remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.
- The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
- The annual increments paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments in collaboration with the HR department.

#### **Nomination Duties:**

- Ensuring that there is an appropriate induction & training programme 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 Guidelines provided under the Act.
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board.
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Recommend any necessary changes to the Board.
- Considering any other matters as may be requested by the Board.

#### **Remuneration Duties:**

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

- 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.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay [if any] reflecting short- and long-term performance objectives appropriate to the working of the Company.

- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

#### **Review and Amendment:**

The Board on its own and/or as per the recommendations of Committee can amend this policy, as deemed fit from time to time.

#### **Minutes of Committee Meeting:**

The Proceedings of all the “Nomination & Remuneration Committee” meetings must be minute and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.