

ARCHIDPLY DECOR LTD

Archidply Decor's Nomination and Remuneration Policy

Background

The purpose of the Nominations and Remuneration Committee of the Board of Directors of Archidply Industries Limited is to oversee the Company's nomination process for the top level management and specifically to identify, screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the annual meeting of shareholders. The committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for executive directors and the senior management. The committee shall also develop and maintain corporate governance policies applicable to the Company.

Though this policy has been formally formulated and adopted in terms of Section 178 of the Companies Act, 2013 and the SEBI LODR, 2015 to develop and maintain corporate governance policies applicable to the Company.

Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI LODR (Listing Obligations and Disclosure Requirement), 2015. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel reward 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.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

DEFINITION

Board means Board of Directors of the Company.

Directors mean Directors of the Company.

Key Managerial Personnel means

Chief Executive Officer or the Managing Director or the Manager;

- Whole-time director;
- Chief Financial Officer;
- Company Secretary, and
- Such other officer as may be prescribed.

Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional heads.

Constitution of the Nominations and Remuneration Committee

The Board was apprised that keeping in view the requirement of Section 178 of the Companies Act, 2013 for the Company to constitute Nomination and Remuneration Committee of The Board of Directors of the Company

Role of Nominations and Remuneration Committee

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI LODR, 2015. The Key roles of the Committee would be;

- a) Framing Nomination and Remuneration policy and deciding on all Nomination and Remuneration related issues;
- b) To monitor the Nomination and Remuneration policy of the Company from time to time;
- c) The committee also makes recommendations to the board on candidates for any Board vacancies;
- d) The committee coordinates and oversees the annual self-evaluation of the performance of board, MD, CEO and of individual directors on a half —yearly basis or such other interval as may be necessary in the governance of company;
- e) The committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for executive directors, non-executive directors and the key management personnel;

- f) The Committee shall annually review and approve for the CEO and MD, the executive director and executive officer salary/compensation/ remuneration, etc.
- g) Any other matter as the Nomination and Remuneration Policy Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
- h) To frame ESOP policy for employees and Directors.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:

The Nomination and Remuneration Committee has adopted following policy:

CRITERIA OF SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as Independent Director on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings.

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, 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

REMUNERATION OF CHAIRPERSON

The N&RC recommends the remuneration of the Executive Chairperson to the Board which considered and approved by the Board subject to Shareholders' and regulatory approvals. The N&RC, while recommending the remuneration of the Chairperson considers the following factors:

- (a) Function, Role and Responsibilities of the Chairperson,
- (b) Comparison with the peer Companies,
- (c) Industry benchmarking,
- (d) Regulatory guidelines as applicable, etc.

The remuneration payable to the Chairperson is subject to prior approval of the Board. Therefore, the remuneration or any revision in remuneration of the Chairperson is payable only after receipt of the approval from Board and Shareholder approval.

CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the N&R 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.

Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits.

Remuneration Policy for the Senior Management Employees.

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing 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 mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Monitoring

The Nomination and Remuneration Committee will provide regular progress report to the Board.

The meeting of the Committee shall be held at such regular intervals as may be required. 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. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Dissemination of Information

The Nomination and Remuneration Committee reports to the Board of the Directors of the Company and also upload its policy on its website
