

**UNITED POLYFAB GUJARAT LIMITED**

**NOMINATION AND REMUNERATION  
POLICY**

## 1. PREFACE

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013. 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.

## 2. DEFINITION AND INTERPRETATION

In this Policy, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

- a) The term “**Board**” shall mean the Board of Directors of the Company.
- b) The term “**Board Members**” shall mean the Members on the Board of Directors of the Company.
- c) The term “**Committee**” means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- d) The term “**Independent Directors**” shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing agreement (as revised from time to time)
- e) The term **Key Managerial Personnel** means:
- Executive Chairman or Chief Executive Officer and/or Managing Director;
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary;
  - Such other Officer as may be prescribed under the applicable statutory provisions / regulations.
- f) The term “**Senior Management Personnel/Senior Managers/Senior Management**” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would normally comprise all members of management one level below the Functional/Executive Directors, including all functional heads.
- g) The term “**the Company**” shall mean United Polyfab Gujarat Limited (UPGL).

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation to the extent applicable to the Company.

### 3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the “Nomination and Remuneration Committee” of the Board on 19<sup>th</sup> January, 2016. This is in line with the requirements under the Companies Act, 2013 (“Act”)

### 4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) 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 his / her appointment, as per Company’s Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) 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.

### 5. TERM / TENURE

#### **a) 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.

#### **b) 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 upto 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.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent

Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## **6. EVALUATION**

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**

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**

The Director, 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.

## **9. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **a) Remuneration to Managing Director / Whole-time Directors:**

- The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **b) Remuneration to Non- Executive / Independent Directors:**

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes as above if the following conditions are satisfied:
  - The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**c) Remuneration to Key Managerial Personnel and Senior Management:**

- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

## **10. 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.

## **11. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.