



# **HITECH CORPORATION LIMITED**

(formerly known as Hitech Plast Limited)

## **NOMINATION AND REMUNERATION POLICY**

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### **1. Preface**

- a. The present Human Resource Policy of the Company considers human resources as its invaluable assets. The payment of remuneration to employees is linked with the employees individual roles, responsibility and performance with the overall objective of the Company.
- b. This Nomination and Remuneration Policy (NR Policy) has been formulated, *inter-alia*, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of Hitech Corporation Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **2. Objectives of this NR Policy**

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by Nomination and Remuneration Committee and recommend to the Board their appointment and removal.
- b. To lay down criteria to carry out evaluation of every Director's performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director.
- d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel and other employees to work towards the long term growth and success of the Company.

### **3. Definitions**

- a. "Act" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- b. "Board" means the Board of Directors of the Company.
- c. "Directors" means the Directors of the Company.
- d. "NR Committee" means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.
- e. "Company" means Hitech Corporation Limited.
- f. "Key Managerial Personnel"(KMP) means:
  - Managing Director, or Chief Executive Officer, or Manager and in their absence, a Whole-Time Director;
  - Company Secretary;
  - Chief Financial Officer

- g. "Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management one level below the Executive Directors including the functional heads.
- h. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

#### **4. NR Policy**

NR Policy is divided into three parts as follows:

##### **A. Qualifications**

**Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company**

##### **a. Directors**

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of a Company. Any person who in the opinion of the Board is not disqualified to become a Director and possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

##### **b. Independent Directors**

For appointing any person as an Independent Director, he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

##### **c. Senior Management Personnel and KMP and Other Employees**

The Company has an Organogram displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the Organogram of the Company.

##### **B. Remuneration**

##### **a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel.**

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual

- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

| <b>Fixed Component</b> |            |                |
|------------------------|------------|----------------|
| Basic Salary           | Allowances | Superannuation |

#### **b. Structure of Remuneration for Non-Executive Director**

Non-Executive Directors are remunerated to recognize responsibilities, accountability and associated risks. The total remuneration of Non-Executive Directors may include all or any combination of following elements:

- i. Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meetings of the Board of Directors.
- ii. Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- iv. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

#### **c. Structure of Remuneration for Other Employees**

The power to decide structure of remuneration for other employees has been delegated to HR Department of the Company.

### **C. Evaluation**

#### **a. Criteria for evaluating Non-Executive Board Members:**

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of Non-Independent Directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

**b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel**

Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

**c. Criteria for evaluating performance of Other Employees**

The power to decide criteria for evaluating performance of Other Employees has been delegated to HR Department of the Company.

**5. Communication of this Policy**

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

**6. Board Diversity**

**Meaning of diversity:** The term “Diversity” of Board of Directors (“the Board”) has not been defined. Diversity is achieved, more particularly functionally, residence and gender wise, whereby the Board has to have an optimum combination of Executive, Non-Executive, Independent, Resident/Non-Resident Director/s, Woman Director/s, and Small Shareholders Director/s in terms of law and corporate governance. As per various national/ international practices, it would also mean that the individuals of the Board should be diverse in background, education, experience, knowledge, thoughts, perspective, functional expertise, independence, age and gender. Diversity would further include differences that relate to communication styles, problem solving & interpersonal skills.

**Policy Statement:** The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge, etc. of the members of the Board, necessary for achieving sustainable and balanced development. For appointments of persons to office of directors and deciding composition of the Board, the Nomination and Remuneration Committee (NR Committee) and the Board shall also have due regard to this policy on board diversity. In this process the NR Committee/Board will take into consideration qualification and wide experience of the directors in the fields of packaging, paints, engineering, banking, finance, taxation, regulatory, administration, legal, etc. apart from compliance of legal and contractual requirements of the Company.

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company. The Board of directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with at least one woman director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Regulations and the statutory, regulatory and contractual obligations of the Company.

**7. Amendment**

Any change in the Policy shall, on recommendation of NR Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend

any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

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