



HITECH CORPORATION LIMITED

NOMINATION AND REMUNERATION POLICY

(As revised by the Board at its meeting held on 21st May, 2021)

NOMINATION AND REMUNERATION POLICY

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 as amended time to time.

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.
- e. To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence by way of succession planning.

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 four 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. 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.

Core skills/expertise/competencies identified by the Board of Directors as required in the context of the business(es) and sector(s) to function effectively.

The Company is a manufacturer of rigid plastic packaging providing unique end-to-end packaging solutions and therefore the Company's Board shall comprise of qualified members who bring in required skills, competence and expertise which allows them to make effective contribution to the Board and its Committees. A brief summary of the list of core skills/ expertise/ competencies for effectively conducting the business of the Company is set out below:

- Industry knowledge
- Professional approach
- Financial Expertise
- Leadership acumen

b. 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. Succession Planning:

The Securities and Exchange Board of India (“SEBI”), vide its Notification dated September 2, 2015, has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”). The LODR come into force from December 1, 2015. As per Regulation 17 (4) of the LODR (as amended from time to time), the Board of Directors (“Board”) of Hitech Corporation Limited (“Company”) is required to frame a policy on succession planning for the Board and senior management. The Board based on the recommendation of the Nomination and Remuneration Committee (“Committee”) may amend this Policy from time to time with respect to matters covered under this Policy or otherwise. The Policy for Succession planning was separately formulated by the Board, for the Directors and senior management of the Company and now forms part of this policy.

The same is applicable to;

1. Managing Director and Group Chief Executive Officer and the rest of the Board;
2. Senior Management of the Company as defined in Regulation 16(d) of the LODR;
3. Any other positions within the Company at the discretion of the Managing Director & CEO in consultation with the Board.

The procedure followed by the Committee is as follows:

1. If the Committee anticipates that a Director slot/senior management position shall become vacant within the next twelve months (whether by reason of an announced intent to retire or otherwise), or if such position suddenly becomes vacant (whether by death or otherwise), the Committee shall as soon as reasonably practicable recommend to the Board, sufficient number of candidates for selection.
2. While identifying candidates for nomination as Director or senior management, the Committee may consult whatever sources it deems appropriate, including, but not limited to, referrals from existing Directors or senior management, recommendations from third-party search firms etc.
3. The Committee shall have the authority to engage whatever advisors (including attorneys and search firms) it believe appropriate in its efforts to identify and evaluation potential candidates.
4. The Committee shall also periodically review the list of high performer employees within the Company that may be potential candidates for elevation to the position of senior management position.
5. For the Assessment of candidates the Committee shall make an initial assessment of potential candidates for the vacancy. It shall select from such pool, candidates for an initial interview by one or more members of the Committee. When the Committee identifies individuals that it believes meet the criteria mentioned in the Nomination and Remuneration Policy of the Company, it shall recommend them to the Board for selection.
6. In case of emergency succession, of a Director slot/senior management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein.

C. 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

Fixed Component		
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.

D. 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.
