

# **PYRAMID TECHNOPLAST LIMITED**

## **NOMINATION AND REMUNERATION POLICY**

### **A. Preamble**

As per Section 178 of the Companies Act, 2013 read along with applicable rules thereto (the "**Act**"), and Regulation 19 read with Part D of Schedule II of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**").

As per the provisions of the Act and the Listing Regulation, the nomination and remuneration committee of the Board shall lay appropriate criteria for selection of Directors, Key Managerial Personnel and Senior Management and formulate appropriate policy for payment of equitable remuneration to them.

Accordingly, the Board of Directors of the Company on March 29, 2023 has adopted the policy for nomination and remuneration (the "**Policy**").

### **B. Objectives of the committee:**

The Committee shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of the Independent Director and to carry out evaluation of every Director's performance and to provide necessary report to the Board for further evaluation.
3. Advise the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
4. Devising a policy on Board diversity.
5. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmark
9. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

10. To perform such other functions as may be necessary or appropriate for the performance of its duties.
11. To develop a succession plan for the Board and to regularly review the plan.

**C. Definitions**

<b>"Act"</b>	Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;
<b>"Board"</b>	Board means Board of Directors of the Company;
<b>"Director"</b>	Directors means Directors of the Company;
<b>"Committee"</b>	Committee means the Nomination and Remuneration Committee of the Company;
<b>"Company"</b>	Company means Pyramid Technoplast Limited;
<b>"Independent Director"</b>	shall mean the Director other than a managing director or a whole-time director or a nominee director as more specifically set out under Section 149(6) of the Act, and shall also have the meaning ascribed to the term "Independent Director" under Regulation 16(1)(b) of the Listing Regulations;
<b>"Key Managerial Personnel"</b>	shall mean- <ol style="list-style-type: none"><li>(i) the Chief Executive Officer or the managing director or the manager;</li><li>(ii) the Whole-Time Director;</li><li>(iii) the Company Secretary;</li><li>(iv) the Chief Financial Officer; and</li><li>(v) such other officer as may be prescribed under the applicable statutory provisions/regulations;</li></ol>
<b>"Senior Management"</b>	shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads:
<b>"Nomination and Remuneration Committee"</b>	shall means a Committee of Board of Directors of Company constituted in accordance with the provisions of section 178 of the Act;

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.

**D. Guiding principles**

The Policy ensures that:

1. The level and composition of Remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
2. Relationship of Remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**E. Nomination and Remuneration Committee**

1. Role of Committee. The role of the Committee inter-alia will be the following:
  - a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
  - b) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and Senior Management.
  - c) To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.
- d) To formulate criteria for evaluation of performance of the Board.
- e) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- f) The Committee shall ensure that the remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- g) Regularly review the Human Resource functions of the Company and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- h) To devise a policy on Board Diversity.
- i) Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time and make reports to the Board as appropriate.
- j) Such other work and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

2. Membership

- a) The Committee shall consist of a minimum 3 non-executive directors, out of which at least two-third shall be independent directors.
- b) Chairperson of the Committee shall be an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- c) Minimum two (2) members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance, shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

3. Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member or any other Director to answer the shareholders' queries.

4. Frequency of meetings

The meeting of the Committee shall be held at such regular intervals as may be required but shall meet at least once a year.

5. Committee members' interests

- a) 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.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

7. Voting

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

8. Minutes of Committee meeting

Proceedings of all meetings must be documented and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**F. Appointment of Directors**

1. General appointment criteria

- a) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and accordingly recommend to the Board his / her appointment.

- b) The Company should ensure that the person so appointed as Director/ Independent Director/ Key Managerial Personnel / Senior Management Personnel shall not be disqualified under the Act, rules made there under or any other enactment for the time being in force.
- c) The Director/ Independent Director/ Key Managerial Personnel / Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Act, rules made there under, or any other enactment for the time being in force.
- d) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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.
- e) The Company shall appoint / re-appoint an independent directors, in terms with its

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