



## **SHREE AJIT PULP AND PAPER LIMITED**

### **APPOINTMENT AND REMUNERATION POLICY**

This Remuneration Policy relating to remuneration for the Directors, Key Managerial Personnel and other employees, has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

#### **OBJECTIVES:**

The objectives of this policy is to stipulate criteria for:

- Appointment, re-appointment, removal of Director(s), KMP(s) and Senior Management.
- Determining qualifications, positive attributes and independence of a director and recommend to the Board.
- Retain, motivate best managerial talents and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully.
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth.

#### **CRITERIA FOR APPOINTMENT**

The appointment shall be based on the followings criteria:

- Ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment.
- Age, number of years of service, specialized expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.
- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board.
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest.
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- Appointment of Directors and KMPs in compliance with the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.

#### **CRITERIA FOR REMUNERATION**

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.



The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

At present no remuneration is paid to the Non-Executive Directors, except sitting fees for attending each meeting of the Board and Committees thereof. However, appropriate remuneration is proposed to be paid to non-executive/independent directors based on individual performance, within regulatory limits subject to approval of shareholders.

**REVIEW:**

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company.