

MMP INDUSTRIES LIMITED

NOMINATION & REMUNERATION POLICY

1. INTRODUCTION

The Board of Directors (“the Board”) of MMP Industries Limited (“MMP” OR “the Company”) has adopted this Policy on nomination, appointment and remuneration of the Directors, Key Managerial Personnel ('KMP') and Other Employees (“the Policy”) as required by the provisions of Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

2. DEFINITION

Independent Director means a Director as defined and referred to in Section 2(47) and 149(6), respectively, of the Act and the Regulation 16(1)(b) of Listing Regulations, as amended from time to time.

Key Managerial Personnel (“KMP”) shall mean Key Managerial Personnel as defined in Section 2(51) of the Act.

Nomination & Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Regulation 19 of Listing Regulations.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules or Regulations framed thereunder or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. PURPOSE

The purpose of this Policy is to establish and govern the procedure:

- (i) to 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.
- (ii) to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- (iii) to ensure that the remuneration to Directors, KMP 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.
- (iv) to evaluate the performance of the members of the Board.

4. APPOINTMENT CRITERIA AND QUALIFICATION:

(i) For Non-executive Directors

- (a). The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- (b). In case of appointment of Independent Directors, the Nomination & Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- (c). The Nomination & Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013 and was or is not debarred from holding the office of a Director [Category - Executive, Non-Promoter] pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed companies"

(d). The Nomination and Remuneration Committee shall consider the following attributes or criteria, whilst recommending to the Board the candidature for appointment as Director:

- (i). Qualification, expertise and experience of the Directors in their respective fields;
- (ii). Personal, Professional or business standing; and
- (iii). Diversity of the Board.

(e). In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

(ii) For Executive Directors including Managing Director, Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel

For the purpose of selection, the Nomination & Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Nomination & Remuneration Committee will also ensure that the incumbent fulfills such other criteria as laid down under the Companies Act, 2013 or other applicable laws.

5. REMUNERATION

(i) For Non-executive Directors

The Non-executive Directors shall be entitled to receive remuneration by way of sitting fees (Subject to revision by the Board of Directors from time to time) and reimbursement of expenses for participation in the Board and/or Committee meetings of the Company as detailed hereunder:-

Sitting Fees for Board Meeting	-	₹ 5,000/- per Meeting.
Sitting Fees for Committee Meeting/s*	-	₹ 2,000/- per Meeting.

*Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee Meeting.

(ii) For Remuneration of Executive Directors including Managing Director, Whole-time Director, KMP and Senior Management Personnel

- (a) The remuneration, compensation, commission etc., as the case may be, to the Executive Director/s including the Managing Director, Whole-time Director and Key Managerial Personnel will be determined by the Nomination & Remuneration Committee and recommended to the Board for approval from time to time. However, the remuneration, compensation, commission, etc., as the case may be, shall be subject to the prior approval or post ratification of the Shareholders (Members) of the Company and shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

Further, the Managing Director and/or Whole time Director of the Company are authorised to decide the remuneration of Senior Management Personnel and which shall be decided based on the standard market practice and prevailing HR policies of the Company.

- (b) The remuneration of the Executive Director/s including Managing Director, Whole Time Director and Key Managerial Personnel is broadly divided into a fixed component consisting of Salary, Allowances and Perquisites as per Rules of the Company and Performance or Profit based Commission (within the limits approved by the Board and subject to requisite statutory approvals, if any).

No sitting fee is payable to the Executive Director/s of the Company for attending the Meetings of the Board and its Committees.

(iii) Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, wherever applicable.

6. TERM

The Term of the Director/s including Managing Director, Whole time Director, Manager and Independent Director/s shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder and the Listing Regulations, as amended from time to time.

7. REMOVAL

Due to reasons for any disqualification/s mentioned in the Companies Act, 2013 or under any other applicable Act, Rules and Regulations there under and/or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations, the Nomination & Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel of the Company.

8. EVALUATION

The Nomination & Remuneration Committee shall carry out evaluation of performance of Director/s including the Independent Director/s and the Board including its Committees yearly or at such intervals as may be considered necessary through questionnaire to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence, etc. The appointment, re-appointment, continuation of Director/s on the Board shall be based on the outcome of evaluation process.

The evaluation of performance of Executive Director/s will be done by the Independent Director/s. The results of the evaluation process shall be placed before the Board for its consideration.

9. POLICY ON BOARD DIVERSITY

The Board of Directors shall comprise of Director/s having expertise in different areas or fields like Finance, Sales and Marketing, Banking, Engineering (Technical), etc. or as may be considered appropriate. In designing the Board's composition, the Board diversity has to be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at-least one Board Member who has accounting or related financial management expertise and at-least one Woman Director.

10. REVIEW OF THE POLICY

The Board and the Nomination & Remuneration Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with Regulation 19 of the Listing Regulations.