

MANUGRAPH INDIA LIMITED

POLICY FOR APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT AND EVALUATION OF THEIR PERFORMANCE

1. INTRODUCTION

This policy on nomination of Directors, Key Managerial Personnel and Senior Management has been formulated by Nomination and Remuneration Committee and approved by the Board of Directors.

2. OBJECTIVES OF THE POLICY

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Formulate of criteria for evaluation of Independent Directors and the Board.
- iii. Identify persons who are qualified to become Directors and persons who may be appointed in Senior Management positions in accordance with the criteria laid down in this Policy.
- iv. Recommend to the Board, appointment, remuneration, evaluation and removal of Directors, Key Managerial Personnel and Senior Management Personnel.

3. DEFINITIONS

“Act” means the Companies Act, 2013 and the Rules made thereunder, as amended from time to time

“Company” means Manugraph India Limited

“Board of Directors” or “Board” means the collective body of the Board of Directors of Manugraph India Limited, as constituted from time to time.

“Committee” means Nomination and Remuneration Committee of the Company as Constituted or reconstituted by the Board, from time to time.

“Director” means any Director on the Board of the Company.

“Independent Director” means a Director as defined in Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Act.

“Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“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 the functional heads.

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

4. KEY MANAGERIAL PERSONNEL

Key Managerial Personnel (KMP) as defined in Section 2(51) of the Act means-

- (i) The Chief Executive Officer or the Managing Director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Financial Officer; and

- (v) Such other officer as may be prescribed under relevant provision of the Act and Rules framed thereunder

5. APPLICABILITY

The Policy is applicable to

- (i) Directors (Executive and Non Executive)
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

6. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director 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.

Term / Tenure:

A. Managing Director/Whole-time Director (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

B. Independent Director:

An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

C. Performance Evaluation:

The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated).

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent Directors and members of management.

The Independent Directors in the meeting shall:

- i. Review the performance of non-independent Directors and the Board as a whole.
- ii. Review the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors.

D. Removal:

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations framed thereunder.

E. Retirement:

The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain any Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, if the said retention is in the interest of the Company.

7. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

(A) EXECUTIVE DIRECTORS

The performance of Managing Director and Chief Executive Officer and other Executive Directors, if any, shall be evaluated on the basis of achievement of performance targets / criteria given to them by the Board from time to time.

(B) NON EXECUTIVE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The performance of Non Executive Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence;
- (f) Inform the Board immediately when they lose their independence ;
- (g) Assist the Company in implementing the best corporate governance practices;
- (h) Strive to attend all meetings of the Board of Directors and its Committees of which they are chairpersons or members
- (i) Participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) Does not unfairly obstruct the functioning of an otherwise proper Board meeting or Committee meeting of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest ;
- (n) Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including Code of Conduct, Insider Trading Code etc.

8. REMUNERATION

The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the HR policy of the Company.

The Human Resource department will inform the Committee, the requisite details on the proposed increments.

The compensation structure will also be based on the market salary survey. The survey for total remuneration would be commissioned with external consultants, if required.

The composition of remuneration so determined by the committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The Committee may review remuneration of identified senior management personnel from time to time.

Remuneration to Non-Executive & Independent Directors: The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Act.

9. DISCLOSURE

The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee, in its Annual Report.