



**P G FOILS LIMITED**  
CIN- L27203GJ1979PLC008050  
REGISTERED ADDRESS- 6 NEPTUNE TOWERASHRAM ROAD  
AHMEDABAD GUJARAT GJ 380009 IN

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## **NOMINATION & REMUNERATION POLICY**

### **1. Purpose of this Policy:**

P G Foils Limited (the “Company”) has adopted this Policy on Nomination and remuneration of the Directors, Key Managerial Personnel and Senior Management (the “Policy”) as required by the provisions of Section 178 of the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (the “Listing Regulations”).

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

- a) To evaluate the performance of the members of the Board.
- b) To ensure 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.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should 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 the relationship of remuneration to performance is clear and meets appropriate performance benchmarks. This Policy shall be placed on the website of the Company and the salient features of the Policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board's report.

### **2. Definitions:**

**Independent Director** means a director referred to in Section 149(6) of the Act and the Listing Regulations, as amended from time to time.

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

**‘Nomination and Remuneration Committee’ or ‘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 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** of the Company shall mean officers / personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager / functional heads, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer, as may be identified by the Company, by whatever name called.

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 and Regulations framed thereunder or in the Listing Regulations or the Accounting Standards shall, as the context may require, have the meanings assigned to them in these regulations.

### **3. Composition of the Committee:**

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the Listing Regulations, as amended from time to time.

### **4. Role of the Committee:**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;
- d) Decide whether to extend or continue the term of appointment of the independent directors, on the basis of the performance evaluation of independent directors;
- e) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;

- f) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- g) Devise a Policy on Board diversity;
- h) Delegate one or more of the above roles to one or more, severally or jointly, to KMP / senior managerial personnel.

## **5. Appointment and removal of Director, KMP and Senior Management:**

### **5.1 Appointment criteria and qualification:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

### **5.2 Term:**

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

Whereas the term of the KMP (other than the Managing / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

### **5.3 Evaluation:**

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and performance.

The Board / Committee shall identify evaluation criteria which will evaluate all the Directors based on the criteria such as the composition, quality and value of contribution, knowledge to perform the role, skills, experience, staying abreast of governmental / regulatory policy development, development in industry and market conditions, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Model framework for performance evaluation of Independent Directors and the Board is as per Annexure A to this Policy.

#### **5.4 Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

#### **6. Remuneration of Managing / Whole-time Director, KMP and Senior Management:**

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company, wherever required and shall be in accordance with the provisions of the Act, Rules made thereunder and the Listing Regulations. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

#### **7. Remuneration to Non-executive / Independent Director:**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Listing Regulations, as amended from time to time.

#### **8. Disclaimer:**

This Policy is subordinate to the Listing Regulations or other applicable statutory provisions including Companies Act, 2013 (collectively referred to as the "Regulations"), as amended, and in the event of disparity between this Policy and the Regulations (including due to subsequent amendments to the Regulations), the provisions of the Regulations will prevail and there would not be any necessity to amend this Policy to that extent.

## **Annexure A**

### **Model framework for performance evaluation of Independent Directors and the Board**

As per the provisions of the Listing Regulations, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors, the Board and committees thereof. Further, in terms of the Listing Regulations, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;

2. The Committee shall formulate evaluation criteria for the Board, committees thereof and the Independent Directors which shall be broadly based on:

2.1 Knowledge to perform the role;

2.2 Time and level of participation;

2.3 Performance of duties and level of oversight; and

2.4 Professional conduct and criteria of independence and their independence from the management.

3. The Board shall be asked to complete the evaluation and one of the Independent Directors may lead the process. Provided that in the evaluation process, the directors who is subject to evaluation shall not participate. A copy of the Minutes / feedback / Report shall be furnished to the Committee. The Committee shall determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

4. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

## **Annexure B**

### **Framework for Separate Meeting of Independent Directors**

As required by the provisions of Schedule IV to the Act and the provisions of the Listing Regulations, 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 the management.

The meeting shall:

- (a) review the performance of non-independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management

and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent directors shall strive to be present at such meeting. This meeting could be held prior or

after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

## **Annexure C**

### **Familiarisation Programme for Independent Directors**

As required by the provisions of Schedule IV to the Act and the provisions of the Listing Regulations, the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company. The Company will impart Familiarisation Programmes for new Independent Directors inducted on the Board of the Company. The Familiarisation Programme of the Company will provide information relating to the Company, wind energy / renewable energy industry, business model of the Company, geographies in which Company operates, etc. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company.

The Managing Director or such other authorised officer(s) of the Company shall lead the Familiarisation Programme on aspects relating to business / industry. Such other authorised officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

