

NOMINATION AND REMUNERATION POLICY

1. Purpose of this Policy:

ULTIMATE FLEXIPACK LIMITED ('the Company') has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel ('KMP') and Senior Management ('the Policy') as required by the provisions of Section 178 of the Companies Act, 2013 ('the Act').

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

- a) To ensure 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.
- b) To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) To ensure 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.

2. Constitution and Composition of Nomination and Remuneration Committee:

The Board of the Company constituted a Nomination and Remuneration Committee ('NRC') consisting of three or more non-executive directors out of which at least half are Independent Directors including Chairman of the Committee in terms of Section 178 of the Companies Act, 2013.

3. Appointment and removal of Director, KMP and Senior Management:

3.1 Appointment criteria and qualification:

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director and recommend to the Board his/ her appointment.

For the appointment of KMP (other than Managing/ Whole-time 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/ Whole-time Director) or Senior Management, the Managing Director/Whole-time Director/Chairman of the Board is authorized to identify and appoint a suitable person for such position. However, if the need be, the Managing Director/Whole-time Director/Chairman may consult NRC / Board for further directions/ guidance.

All the Directors and other employees shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

3.2 Term:

The term of the director including Managing/ Whole-time Director/ Independent Director shall be governed as per the provisions of the Act and Rules made as amended from time to time.

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

3.3 Evaluation:

NRC shall identify evaluation criteria to evaluate Directors. The appointment/ re-appointment/ continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

3.4 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, NRC may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

4. 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 NRC and recommended to the Board for approval. However, the same shall be subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.

The Managing Director/Whole-time Director/Chairman of the Company is authorized to decide the remuneration of KMP (other than Managing/ Whole-time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

5. 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 NRC/ Board/ shareholders.