

MITSU CHEM PLAST LIMITED

Reg. Off: 329, GALA COMPLEX, 3RD FLOOR, DIN DAYAL UPADHYAY MARG,
MULUND (W), MUMBAI – 400 080.

REMUNERATION POLICY

**REMUNERATION POLICY
OF
MITSU CHEM PLAST LIMITED**

FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

1. Preamble:

- a) The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “Executives”). The expression “senior management” means officers/personnel of the listed entity 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, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and Chief Financial Officer.
- b) This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) 2015 (“**Listing Regulations**”).

2. Aims & Objectives:

While formulating this Policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act which are, as under:

- a) 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) 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.

3. Matters to be dealt with, perused and recommended to the Board by the NRC:

The Committee shall:

- a) To determine the remuneration package for any Executive Directors as well as remuneration payable to the non-executive Directors and senior management from the year to year;

- b) To help in determining the appropriate size, diversity and composition of the Board;
- c) To recommend to the Board appointment/reappointment and removal of Directors and senior management;
- d) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- e) To create an evaluation framework for Non-executive & Independent Directors and the Executive Board;
- f) Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

4. Policy for appointment and removal of Director, KMP, Senior Management:

I. Appointment criteria and qualifications:

a) Managing / Whole-time / Executive Director:

- i For the purpose of selection of the Managing / Whole-time / Executive Director, the NRC 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.
- ii The Committee shall also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

b) Independent Director:

- i. 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. In case of appointment of Independent Directors, the NRC 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.
- ii. The NRC shall ensure that the candidate identified for appointment as a Director fulfills the criteria of independence as provided in Section 149 (6) and is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- iii. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as an Independent Director:
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- iv. 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

c) KMP and Senior Management personnel:

- i. A KMP / Senior Management Personnel should possess adequate qualification, expertise and experience for the position he / she is considered for appointment as per the Job Description and should qualify through Interview and other parameters as per Corporate HR practices.
- ii. The NRC shall review whether the qualification, expertise, attributes and experience possessed by a KMP is sufficient / satisfactory for the concerned position and make their recommendation to the Board.
- iii. The NRC shall recommend any appointment of Senior Management Personnel of the Company, to the Board for their approval.

II. Removal:

a) Director:

Due to reasons for any disqualification mentioned in the Act and 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 (either Executive or Non-Executive) subject to the provisions and compliance of the said Act, rules and regulations.

b) KMP and Senior Management personnel

- i. Due to reasons for any disqualification mentioned in the Act and 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 KMP, subject to the provisions and compliance of the said Act, rules and regulations.
- ii. A Senior Management Personnel may be removed on account of any disqualification incurred by such person in accordance with the Company's Corporate HR practices and the NRC shall recommend such removal of Senior Management Personnel of the Company, to the Board for their approval.

III. Remuneration:

a) Independent Directors and Non-Independent Non-Executive Directors:

- i. Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid remuneration as prescribed under the applicable law.
- ii. Within the parameters prescribed by law, the payment of Remuneration will be recommended by the NRC and approved by the Board.
- iii. Overall remuneration should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

- iv. Overall remuneration should be reflective of the size of the Company's' complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- v. Overall remuneration practices should be consistent with recognized best practices.
- vi. Quantum of remuneration may be subject to review on a periodic basis, as required.

b) For KMP and Executive Management:

1. The extent of overall remuneration to the KMPs and Executive Management should be sufficient to attract and retain talented and qualified individuals suitable for their role. Hence, remuneration should be:
 - i. market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - ii. driven by the role played by the individual;
 - iii. reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay;
 - iv. consistent with recognized best practices; and
 - v. aligned to any regulatory requirements.
2. The NRC shall recommend to the board, all remuneration, in whatever form, payable to senior management

c) Remuneration payable to Director for services rendered in other capacity:

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

1. The services rendered are of a professional nature;
2. The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and
3. Necessary regulatory approvals are obtained if any.

5. Review and Amendments to the Policy:

The NRC may recommend amendments to the Policy to the Board of Directors, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail

upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
