



CHEMPLAST SANMAR LIMITED

Registered Office: 9. Cathedral Road, Chennai 600 086

CIN: U24230TN1985PLC011637

Nomination and Remuneration policy and Policy for formal Annual Evaluation by the Board

The Company's policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and policy relating to remuneration for the directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company as approved by the Board of Directors, is set out hereunder.

I. Appointment of Directors, KMP and SMP

- a. The Nomination and Remuneration Committee ("Committee") 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.
- b. The Committee / Board may review periodically, the attributes required of the Board as a whole and its individual members with an objective to have a Board with diverse background and experience in such other areas that may be relevant for the Company's operations.
- c. A person shall not be appointed as director if he/ she is in-eligible for appointment under applicable provisions of the Companies Act, 2013 (the Act) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or other applicable laws & regulations.
- d. Appointment of independent Directors is subject to compliance of applicable provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or other applicable laws and regulations.
- e. In evaluating the suitability of a person for appointment as KMP or SMP, the factors that will be considered are general understanding of the Company's business dynamics, general business and industry perspective, educational and professional background and personal achievements.
- f. The Committee shall satisfy itself that the Company has processes for succession for appointment of Board of Directors, KMPs and SMPs

II. Remuneration and Succession Planning

The Company's Remuneration Policy shall be in keeping with the following objectives:

- (i) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- (ii) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- (iii) Ensuring that remuneration involves a balance between fixed and deferred pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

a. Remuneration to Whole-time Directors

The Board on the recommendation of this Committee, shall review and approve the remuneration payable to the Whole-time Directors of the Company within the overall limits approved by the Shareholders.

The remuneration structure to the Whole-time Directors shall comprise of:

- (i) Basic pay,
- (ii) Allowances, and
- (iii) Retiral benefits, and

b. Remuneration to Independent Directors

Independent Directors are entitled to receive commission at a rate not exceeding 1% (one per cent) of the net profits of the Company or remuneration, in the event of loss or inadequacy of profits in any financial year, in accordance with Schedule V to the Act. This payment, every year, will be further subject to a maximum of Rs.1,00,00,000/- (Rupees One Crore only) in a year, in aggregate to all the Independent Directors, subject to the approval of shareholders of the Company in such manner and proportion amongst the Independent Directors as may be recommended by the Nomination and Remuneration Committee to the Board of Directors and approved by the Board of Directors of the Company.

c. Remuneration to other employees including Key Managerial Personnel

Employees shall be assigned grades according to their qualifications and work experience, competences as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

- d. The Company's proposal for revisions in remuneration shall be placed annually before the Committee with required details for their consideration.

BOARD EVALUATION MECHANISM & CRITERIA APPLICABLE THEREIN

A. Non-Independent Directors, Chairman & The Board as a whole

- i. The independent Directors of the Company shall hold at least one meeting every year without the attendance of non-independent directors and members of management. The meeting shall:
 - o Review the performance of non-independent directors and the Board as a whole;
 - o Review the performance of Chairperson of the Company, considering views of executive/ non-executive directors.
- ii. In the meeting, the independent Directors shall focus on each non-independent director and Board's/Chairman's contribution to the Company and specific focus on areas in which the Board or certain specific non-independent director could improve.
- iii. The results of this evaluation process shall determine whether the individual forming part of the Board brings the skills and expertise appropriate for the Company and how they work as a team.

B. Independent Directors

The performance evaluation of independent directors shall be done by the entire Board, excluding directors being evaluated. On the basis of performance evaluation, it shall be determined whether to extend or continue the terms of appointment of the independent directors.

C. Whole-time Directors

The evaluation shall be done by the Committee on yearly basis predominantly based upon overall management performance as well as Company performance.

Adopted on June 24, 2024 Version 3.