

ECOPLAST LIMITED

Regd. Office :National Highway No.8, Water Works Cross Road,Abrama-Valsad-396001

CRITERIA FOR SELECTION OF CANDIDATES FOR SENIOR MANAGEMENT AND MEMBERS ON THE BOARD OF DIRECTORS

Introduction:

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 28th May, 2015 re-constituted the existing Remuneration Committee by changing its nomenclature as Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated additional terms of reference in line with the Companies Act, 2013.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification, selection of the candidates fit for the various positions in senior management and who are qualified to be appointed as director on the Board of Directors of the Company.

The Committee has adopted the following criteria for selection of candidates eligible to be appointed in the senior management of the Company and also member on the Board of Directors of the Company.

Criteria for Selection of Directors:

The Committee shall, before making any recommendation to the Board for appointment of any director, consider the following;

- the candidate should possess the positive attributes such as Leadership, Management, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment of an independent director;
- the candidate should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

Criteria for Selection of Senior Management Personnel:

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, consider the attributes of the candidate set forth below:

- The candidate should have a minimum experience of 10 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines

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which in the opinion of the management and Committee are relevant for the Company's business;

- The candidate should possess the positive attributes such as leadership skills, decision making skills, effective communication, management skills, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment in senior management or director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

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Policy on Remuneration of Directors, Key Managerial Personnel and other employees

1.01 Guiding Principles:

- (i) The terms of employment and remuneration of MD, WTD, KMPs and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent
- (ii) The remuneration Policy shall ensure that:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/KMPs and SMPs of the quality required to run the Company successfully.
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) Remuneration to Directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders
- (iii) While determining the remuneration and incentives for the MD/ WTD and KMP's, the following shall be considered:
 - (a) pay and employment conditions with peers / elsewhere in the competitive market
 - (b) benchmarking with the industry practices
 - (c) Performance of the individual
 - (d) Company Performance
- (iv) For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- (v) The pay structures shall be appropriately aligned across levels in the Company.

1.02 Remuneration Policy:

(1) MD/WTD:

- (i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.

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- (ii) Remuneration shall be evaluated annually against performance and a benchmark of international and domestic companies, which are similar in size and complexity.
- (iii) Total remuneration for the MD and WTD shall be comprised of the following:
 - (a) Salary (both fixed & variable).
 - (b) Perquisites like house rent allowance, domiciliary medical expenses and club memberships etc.
 - (c) Retiring benefits, made in accordance with applicable laws and policies of the Company.
 - (d) In addition, they shall also be entitled to a Performance Bonus linked to their individual performance and also the performance of the Company and the individual.

(2) NEDs:

- (i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.
- (ii) NEDs shall also be entitled for payment of commission, if any, as upto the limits permitted in Section 197 of the Companies Act, 2013 and approved by the shareholders from time to time.
- (iii) IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- (iv) The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

3.00 APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future employment agreements with KMPs & SMPs and also with the Directors.
- (ii) In all respects, the Remuneration Policy shall be subject to overall guidance of the Board of Directors. Any departure from the policy shall be approved by the Board.

5.00 DISCLOSURES:

The Company shall disclose in the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and Rules made there under.