

Repro India Limited

Nomination and Remuneration Policy

I. Introduction:

The Companies Act, 2013 (the “**Act**”) *vide* sub-section (3) of Section 178, the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement as amended by the Securities and Exchange Board of India *vide* Master Circular dated April 17, 2014 makes it mandatory for the Board of Directors (“**Board**”) of every listed company to constitute a Nomination and Remuneration Committee (“**Committee**”).

The Committee of the Board of the Company is entrusted *inter alia* with the responsibility of formulating a policy for payment of remuneration to Directors, Key Managerial Personnel and Senior Management of the Company.

This policy is approved by the Committee and the Board and will be applicable to the Company w.e.f. October 1, 2014

II. Preamble

The Remuneration Policy (the / this “**Policy**”) of Repro India Limited (the “**Company**”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and benefits.

This Policy applies to Directors, Senior Management including its Key Managerial Personnel.

III. Objective:

The Committee and this Policy is in compliance with the provisions of Section 178 and all other applicable provisions and Rules of the Act and under Clause 49 of the Listing Agreement.

The Key Objectives of this Committee are:

1. To guide the Board in relation to appointment and / or removal of Directors, Key Managerial Personnel and Senior Management of the Company;
2. To carry out evaluation of the performance of all the members of the Board and report the same to the Board;
3. To recommend to the Board a policy about the remuneration payable to the Directors, Key Managerial Personnel and Senior Management of the Company.

IV. Guiding principle

The guiding principle of this Policy is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

V. Definitions:

1. Key Managerial Personnel

Key Managerial Personnel shall include Managing Director, Chief Financial Officer, Executive Directors and Company Secretary.

2. Senior Management

Senior Management means personnel of the Company who are members of its core management team excluding the Board, comprising all members of management one level below the Executive Directors including all functional heads.

VI. Committee:

The Committee consists of:

Mr. Dushyant Mehta– Chairman (Non-Executive Director)

Mr. P. Krishnamurthy – Member (Non-Executive Independent Director)

Mr. Alyque Padamsee – Member (Non-Executive Independent Director)

VII. Role of the Committee:

The role of the Committee inter alia shall be as follows:

1. To carry out evaluation of the Director's performance and recommend to the Board appointment or removal based on his or her performance periodically;
2. To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
3. To recommend to the Board (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors' remuneration and incentive;
4. To ensure that the remuneration for Directors is reasonable and sufficient to attract, retain and motivate appropriate Directors required for running the Company effectively;
5. To ensure that the remuneration to Key Managerial Personnel and Senior Management involves a balance between the pay and goals appropriate to the working of the Company;

6. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
7. To monitor the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of Non-Executive Directors;
8. The HR Head shall maintain all the documentation relating to the selection, appointment, evaluation and remuneration of non director Key Managerial Personnel and Senior Management and report to the Committee any changes, evaluation and compensation packages of the Non Director Key Managerial Personnel and Senior Management in accordance with the Policy and report to the Committee, periodically and at least once in every financial year about the compliance of the Policy with respect to their terms and conditions.

VIII. Whole-Time Directors

Remuneration of Whole-Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole-Time Directors, the Committee considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The Committee while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Committee considers that a successful remuneration policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole-Time Directors are subject to the approval of the Board, shareholders and the limits laid down under the Companies Act from time to time.

This Policy is guided by a set of principles and objectives as more fully and particularly envisaged under Section 178 of the Act, inter alia including principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration packages for Whole-Time Directors are designed subject to the limits laid down under the Act to remunerate them fairly and responsibly. The Whole-Time Directors' remuneration comprises of salary, perquisites and performance based commission apart from retirement benefits like P.F., Superannuation, Gratuity, etc as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Whole-Time Directors' are entitled to customary non-monetary benefits such as Company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc.

IX. Director Selection Criteria

The Company's Directors must demonstrate high standards of ethics, integrity and professionalism, independence, sound judgment, community leadership and meaningful experience in business, law or finance or other appropriate endeavor. In addition, the

Company's Directors must be committed to representing the long-term interests of the Company's shareholders.

In evaluating candidates for nomination as a director, the Committee will consider the minimum qualifications set forth above in addition to other factors it deems appropriate based on the current needs and desires of the Board, including specific business and financial expertise currently desired on the Board, experience as a director of a public company, geography, age, gender and ethnic diversity. The Committee will reassess the qualifications of a director, including the director's past contributions to the Board and the director's attendance and contributions at Board and Committee meetings, prior to recommending a director for reelection to another term.

X. Senior Managerial Personnel Selection Criteria

The Company shall select Senior Managerial Personnel based on the qualifications, skills, expertise, qualities, positive attributes required for the particular function of the Company. The criteria to be formulated needs to be not only beneficial to the Company but also will need to consider the qualities and expertise essential for the Company to operate going forward and in changing business environment.

XI. Key Managerial Personnel and Senior Management

Appointment of Key Managerial Personnel and Senior Management, cessation of their service and terms of their remuneration is decided by the Managing Director based on this Policy. Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.

2. **Perquisites** – in the form of house rent allowance or accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement benefits** - contribution to Provident Fund, superannuation, gratuity, etc as per Company Rules.
4. **Motivation /Reward** - A performance appraisal is carried out annually and promotions or increments or rewards are decided by the Managing Director based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
5. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

XII. Non-Executive Directors

As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs.20,000 per Board and Committee meeting.

XIII. Disclosure of information

Information on the total remuneration of members of the Company's Board, Whole-Time Directors and Key Managerial Personnel or Senior Management may be disclosed in the Company's annual financial statements as per statutory requirements.

XIV. Application of the Remuneration Policy

This Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from this Policy can be undertaken only with the approval of the Board.

XV. Dissemination

This Policy shall be published in the Board's Report and on its website, if applicable.

Review and Implementation

The Managing Director shall conduct an evaluation of performance for all employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package in accordance with the Policy.

The remuneration package payable to the employees of the Company shall be approved by the Nomination and Remuneration Committee.

The Committee shall be responsible for monitoring the implementation of the Policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company.

The HR-Head of the Company shall report to the Committee on a regular basis at least once in every financial year about the changes, evaluation and compensation packages of the Non Director Key Managerial Personnel and Senior Management in accordance with the Policy.