Matangi Rubber Ltd.
Delivering Durable Quality

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NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

According to Section 178 of the Companies Act, 2013 and the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Nomination & Remuneration Committee of Matangi Rubber Limited (the Company) shall recommend to the Board for formulation of policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees.

Such policy is formulated to attract, retain and motivate all the employees of Matangi Rubber Limited on the basis of their performance to run the company successfully. Such policy shall be disclosed in the Board's report.

2. APPLICABILITY

This policy shall be applicable to the Directors, Key Managerial Personnel, Senior Management and other employees of Matangi Rubber Limited.

3. OBJECTIVE

This policy for Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company is formulated with the following broad objectives:

i. Ensure that 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;

ii. Motivate KMP and other employees and to stimulate excellence in their performance;

iii. Remuneration is linked to performance;

iv. Ensuring that the remuneration to Directors, KMP and other employees involves a balance between components of fixed & variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

v. Retain, motivate and promote talent and to ensure long term sustainability of talented employees.

vi. The criteria for determining qualifications, positive attributes and independence of a Director.

4. DEFINITIONS:

"Board" means Board of Directors of Matangi Rubber Limited.

"Directors" mean Directors of Matangi Rubber Limited.

"Committee" means Nomination and Remuneration Committee of Matangi Rubber Limited as constituted or reconstituted by the Board.

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"Company" means Matangi Rubber Limited.

"Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Key Managerial Personnel (KMP)" means- (i) the Chief Executive Officer or the Managing Director or the Manager (ii) the Company Secretary (iii) the Whole-Time Director (iv) the Chief Financial Officer (v) Such other officer as may be prescribed under the applicable statutory provisions /regulations.

"Remuneration" means remuneration as defined under Section 2(78) of the Companies Act, 2013 including any amendment thereof.

"Senior Management" means personnel of the Company who occupy the position of Head of the department/division/unit.

5. APPOINTMENT CRITERIA LAID DOWN BY NOMINATION & REMUNERATION POLICY FOR:

a) Managing Director & Whole-Time Director: The Managing Director & Whole-Time Director shall be appointed on the basis of their qualification, expertise and experience in the Business of Matangi Rubber Limited. The term of the appointment or re-appointment of Managing Director & Whole-Time Director shall be for the period of five years. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-Time Director who has attained the age of seventy-five years, provided that the term of such person may be extended by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy-five years.

b) Non-Executive Directors & Independent Directors:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. The appointment of the Independent Directors shall be in accordance with Schedule IV to the Companies Act, 2013.

c) Key Managerial Personnel (KMP): A person to be appointed as a KMP should possess adequate qualification, knowledge and expertise. The Committee has discretion to decide whether qualification, knowledge and expertise possessed by a person is sufficient/satisfactory for the concerned position.

d) Senior Management & other employees: The person at the level of Senior Management and other employees shall be appointed as per the policy formulated by Human Resource Department.

6. REMUNERATION TO:

a) Managing Director:

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The remuneration/compensation/commission etc. to the Managing Director will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. to the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Managing Director Executive Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

Revision to the existing remuneration/compensation structure may be recommended by the Committee to the Board subject to approval of the Shareholders when necessary, in the case of Managing Director/Whole- time Director/Executive Director and would be based on the individual's performance as well as the Company's overall performance.

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

Where any insurance is taken by the Company on behalf of its Managing Director/Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty of negligence, default, misfeasance, breach of duty or breach of trust, the premium paid on such insurance shall be treated as part of the remuneration.

b) Non-Executive Directors & Independent Directors:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The Independent/Non-Executive Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

However, in the case of Non Executive Director, Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

An Independent Director shall not be entitled to any stock option of the Company.

c) Key Managerial Personnel (KMP), Senior Management & other employees:

The KMP, Senior Management and other employees of the Company shall be paid remuneration as per the policies implemented by the Company from time to time.

7. PERFORMANCE EVALUATION:

The Committee shall evaluate performance of every Director, KMP and Senior Management Personnel at regular period of one year.

8. LOAN TO SENIOR MANAGEMENT (OTHER THAN MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR) AND OTHER EMPLOYEES OF THE COMPANY:

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The loan may be given to the above concerned for the purposes such as Marriage, Education, Housing Loan or such other purposes, in accordance with the policies implemented by the Company from time to time.

9. POLICY REVIEW:

The Nomination & Remuneration Committee is responsible for monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make recommendation as and when required to facilitate a remuneration strategy, which will meet the needs of the Company.

In case of any subsequent changes in the provisions of Companies Act, 2013 & the rules made thereunder or other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the amended provisions or regulations would prevail over the policy and such policy would be modified in due course to make it consistent with the law. Such policy shall be reviewed and recommended by the Nomination and Remuneration Committee to the Board of Directors for approval.

For MATANGI RUBBER LIMITED
(Formerly known as Matangi Rubber Private Limited)

Director

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