

POLICYREFERENCE	REMUNERATION POLICY
POLICYOWNER	SECRETARIAL TEAM

VERSION NUMBER	DATE OF INTRODUCTION	RECOMMENDED BY	DESCRIPTION
1	15.05.2014	Nomination and Remuneration Committee	Remuneration Policy
2	15.05.2014	Approved by Board	

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YASH PAPERS LIMITED

REMUNERATION POLICY

1. INTRODUCTION

The Remuneration Policy of Yash Papers Limited (the "Company") is to pay competitively and reward performance. To achieve this philosophy, total compensation is based on employee's role, market value of job and employees contributions.

This Policy is designed to attract, motivate, and retain talent 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 retirement benefits.

The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Remuneration Policy applies to Directors and senior management including its Key Managerial Personnel (KMP) of the Company.

2. DEFINITIONS

- 2.1 Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 Board** means Board of Directors of the Company.
- 2.3 Committee** means Nomination and Remuneration Committee constituted by the Board
- 2.4 Directors** mean Directors of the Company.
- 2.5 Key Managerial Personnel** means
- i. Chief Executive Officer or the Managing Director or Manager
 - ii. Whole-time director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. such other officer as may be prescribed by Ministry of Corporate Affairs

2.6 Executive Directors mean Chairman & Managing Director/Managing Director and Whole time Director

2.7 Senior Management means personnel of the company who are members of senior leadership typically vice presidents or equivalent and higher position levels.

3. GUIDING PRINCIPLE

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining talented employees.

While designing remuneration packages, industry's best practices, cost of living and potential of employees are also taken into consideration.

4. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

4.1. General:

- a) The remuneration package of KMP will be determined by the Committee and recommended to Board for approval. In addition, the approval of the shareholders of the Company and Central Government, wherever required, will be obtained for the remuneration package of Executive Directors. The remuneration package of other senior management personnel will be recommended by the Managing Director and submitted to Committee for approval.
- b) The remuneration package of Executive Directors shall be in accordance with the percentage / slabs / conditions laid down in the Act.
- c) Increments to the existing remuneration package of Executive Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
- d) Annual Increments to the existing remuneration package of senior management personnel including CFO and CS shall be recommended by MD and submitted to the Committee for approval.
- e) Where any insurance is taken by the Company on behalf of its Directors, Executive Directors, Whole-time 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 such personnel.

4.2. Remuneration to Executive Directors KMP and Senior Management Personnel:

a) Pay and Allowances:

The Executive Directors, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Committee or Board on the recommendation of the Committee. The remuneration comprises of basic pay and allowances in addition to perquisites such as contribution to Provident Fund, Gratuity, group life insurance, group medical insurance etc. In addition they are also eligible for variable pay namely Production Incentive (PI) and Performance Incentive which is linked to performance of the Company as against pre determined metrics and individual CSA Rating.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

4.3. Remuneration to Independent Directors:

a) Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Act.

b) Sitting Fees:

Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount fixed by the Board from time to time.

c) Commission:

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 Act.

d) Stock Options:

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

e) Expenses for attending meetings

The expenses incurred by the Independent Directors for attending the meetings of Board of Directors and Committees of the Board shall be reimbursed by the Company or alternatively the Company may provide air tickets, lodging facility and conveyance to the Independent Directors.

Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole time Directors and KMP/senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

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