



NOMINATION AND REMUNERATION POLICY

KNACK PACKAGING LIMITED

CIN: U25200GJ2013PLC073847

**Registered Office: 330/A, Kalasagar Shopping Hub, Opp Saibaba Temple, Satadhar Cross Road, Ghatlodiya,
Ahmedabad, Gujarat, India, 380061**

Name of the Document	Nomination and Remuneration Policy
Approval Date	25 August, 2025
Effective Date	From the date of Listing

1. Introduction:

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”) read with the Companies Act, 2013 and the Rules framed thereunder, as amended (hereinafter referred to as “**Act**”) stipulates for formulation and adoption of policy on Nomination and remuneration in relation to Directors, Key Managerial Personnel and Senior management of the Company.

Pursuant to Section 178 (3) of the Act read with Regulation 19 of the Listing Regulations, Knack Packing Limited (the “**Company**”) is required to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company (the “**Board**”) a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management and to align the remuneration of the SMP/Key Managerial Personnel, Directors on the Board and other employees with the longer term interests of the Company.

The Board of Directors (the “**Board**”) of Company at its meeting held on 25 August, 2025 had approved the Nomination and Remuneration Policy and which shall become effective from From the date of Listing.

2. Definitions:

a. ‘**Board**’ means Board of Directors of the Company.

b. ‘**Directors**’ means Directors of the Company.

c. ‘**Committee**’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

d. ‘**Company**’ means Knack Packaging Limited

e. ‘**Independent Director**’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

f. ‘**Key Managerial Personnel (KMP)**’ means –

- the Managing Director or Chief Executive Officer or manager;
- Whole-time Director;
- Company Secretary;
- Chief Financial Officer; and
- Any other person as defined under the Companies Act, 2013 from time to time.

g. ‘**Senior Management**’ shall mean officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the Executive Directors, including all functional heads

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. Objective and Purpose:

The objectives of this Policy are set forth below:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (independent, executive and non-executive) and persons who may be appointed as Key Managerial Personnel and Senior Management positions;
- To 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;
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management personnel and provide necessary report to the Board for further evaluation by the Board; and
- To ensure that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. Constitution of the Nomination and Remuneration Committee:

3.1. The Board has constituted the “Nomination and Remuneration Committee” of the Board on 18/07/2025 This is in line with the requirements under the Companies Act, 2013. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together. The Board has authority to reconstitute this Committee from time to time.

5. ROLE OF THE COMMITTEE:

The role of the Committee shall, inter-alia, include the following:

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- II. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- III. devising a policy on diversity of the Board;
- IV. identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- V. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- VI. recommend to the board, all remuneration, in whatever form, payable to senior management.

6. GUIDING PRICIPLES FOR THE COMMITTEE:

- A) Laying down criteria and terms and conditions for the identification of persons who are qualified to become Directors (including Independent Directors) and persons who may be appointed in Key Managerial and Senior Management positions and to determine their remuneration
- B) Carrying out the evaluation of performance of Directors, Key Management Personnel as well as Senior Management personnel.
- C) Ensuring that the level and composition of remuneration and the other terms of employment of the Directors, Key Managerial Personnel and Senior Management personnel is reasonable and sufficient to attract, retain and motivate executives of the Company in order to ensure that the Company can attract and retain competent executives.
- D) Determining remuneration based on Company's size and financial position and trends and practice on remuneration prevailing in the similar industry. When determining the remuneration policy and arrangements for Directors/ KMP's and Senior Management, the Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- E) While designing the remuneration package considering 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 shall consider that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with the stakeholders of the Company

7. COVERAGE OF THE POLICY:

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP & SENIOR MANAGEMENT

(a) Appointment criteria & qualifications and Tenure:

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / executive Director who has attained the age of sixty years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of sixty years/seventy years with the approval of shareholders 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 sixty years/seventy years as the case may be.

5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

The tenure for the Executive Directors, Non-Executive Directors and Independent Directors shall be governed by the terms defined in the Act and SEBI (LODR)..

1. Managing Director / Whole-time Director/Executive Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director or any Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

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, 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

(b) Evaluation:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management personnel yearly or at such intervals as may be considered necessary.

(c) Removal:

The Director, KMP and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain the Director, KMP and Senior Management personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions of the Act, Listing Regulations and applicable law.

(d) Retirement:

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

A) POLICY REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

(a) Remuneration to Managing Director / Whole-time Directors:

1) The Remuneration/ Commission, as applicable, to be paid to Managing Director / Wholetime Directors, etc. shall be governed as per provisions of Act or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

2) Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors

(b) Sitting Fees / Commission to Non- Executive / Independent Directors:

1) The Non-Executive / Independent Directors may receive sitting fees, commission and such any other remuneration as permissible under the provisions of the Act and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.

2) All the sitting fees, commission and any other remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act shall be subject to ceiling/ limits as provided under the Act or any other enactment for the time being in force. Such amount shall be recommended by the Committee and approved by the Board or the shareholders of the Company, as the case may be.

3) An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

4) Any remuneration paid to Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services rendered are of a professional nature; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

5) The Compensation Committee of the Company, may be constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors)].

(b) Remuneration to KMP and Senior Management:

1) The remuneration to Key Managerial Personnel and Senior Management personnel shall consist of fixed pay and variable or incentive pay, as the case may be, in compliance with the provisions of the Act and in accordance with this Policy.

2) The Compensation Committee of the Company, would be constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management personnel.

3) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time as per the company's policy.

4) The variable or incentive pay, as the case may be, shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management personnel, to be decided annually or at such intervals as may be considered appropriate

(c) Remuneration to other employees:

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Managing Director and Chairman.

8. POLICY REVIEW:

This Policy shall be reviewed by the Committee, as required from time to time. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board for their approval.

9. LIMITATION AND AMENDMENT:

In the event of any conflict between the Act or the SEBI Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this Policy, the Regulations shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this Policy.

The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the Policy as it may deem fit or in accordance with the guidelines and regulations as may be issued by Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or any other regulatory authority.