

GENUS PAPER & BOARDS LIMITED

(CIN: L21098UP2012PLC048300)

Registered Office: Village Aghwanpur, Kanth Road, Moradabad-244001 (U.P.)

Corporate Office: D-116, Okhla Industrial Area, Phase-I, New Delhi-110020

Tel: 0591-2511171 **Fax:** 0591-2511242 **E-mail:** cs@genuspaper.com

Website: www.genuspaper.com

Remuneration Policy

PREAMBLE

The Remuneration Policy (the “Policy”) of Genus Paper & Boards Limited (the “Company” or “Genus”) is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Board of Directors of the Company (the “Board”) has approved and adopted the Policy at its meeting held on September 30, 2014, as per the recommendation made the Nomination and Remuneration Committee of Directors of the Company.

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independent of directors and laid down policy relating to remuneration for the directors, key managerial personnel and other employees.

The Remuneration Policy of Genus is designed to attract, retain and motivate the senior management personnel (“SMP”) including its Key Managerial Personnel (“KMP”) and Board (collectively referred to herein as the “Board and SMP”). The policy ensures that -

(a) 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; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; (c) remuneration to Directors and SMP 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; and (d) remuneration matches the level in comparable companies, whilst also taking into consideration of the required competencies, effort and scope of the Directors and SMP’s work.

The Remuneration Policy applies to the Company’s senior management personnel, including its Key Managerial Personnel and Board of Directors.

The Policy is divided into separate sections for executive directors, non-executive directors and senior management personnel.

REMUNERATION OF EXECUTIVE DIRECTORS (INCLUDING MANAGING DIRECTOR)

The remuneration of the executive directors is set by the Nomination and Remuneration committee (the “Committee”) in compliance with applicable provisions of the Companies Act, 2013 read with the applicable rules thereto including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Committee makes a recommendation to the Board for the remuneration payable to the Executive Directors. Then the Board upon the recommendation of the Committee decides and approves the remuneration and other terms & conditions of appointment of the Executive Directors, subject to approval of the shareholders of the Company at their meeting.

The remuneration is evaluated annually against performance aligned with shareholders' interests, the Company's strategy and a benchmark of other comparable companies, which in size and complexity are similar to Genus. In determining packages of remuneration, the Committee may consult/discuss with the Chairman or Managing Director of the Company.

Total remuneration shall be comprised as follows:

Fixed remuneration: Base-level fixed salary (basic salary) is set at a level aimed at attracting and retaining the Executive Directors with professional and personal competency required to run the Company successfully and accelerate the Company's performance. It is strongly linked to the Company's long-term performance and strategy.

Allowances & Perquisites: Allowances and perquisites may be as follows (subject to the applicable laws, rules and regulations):

(i). Furnished residential accommodation with water, gas, electricity, maintenance, sweeper, gardener, watchman and personal attendant or House Rent Allowance in lieu thereof. (ii). Medical benefits for self and family: Reimbursement of all expenses actually incurred in India and/or abroad. (iii). Leave Travel Concession for self, wife and minor children once a year. (iv). Fees of clubs subject to a maximum of two clubs. (v). Premium on Personal accident insurance policy as per the Company's rules. (vi). Premium on Medical Insurance for self and family as per the Company's rules. (vii). Company's contribution towards provident fund as per rules of the Company but not exceeding 12% of salary. (viii). Gratuity not exceeding one half month's salary for each completed year of service. (ix). Encashment of leave as per rules of the Company. (x). Free use of car with driver for official use. (xi). Free telephone facility at residence including mobile phone for official use.

Incentive programme, bonus pay, etc.: The Executive Directors are not included in incentive programmes (i.e. employees' stock options schemes, bonus pay or similar plans).

Severance payments: it will be in accordance with termination clauses in employment agreements, if any. Severance payments shall comply with local legal framework.

Reimbursement of expenses: Expenses incurred in connection with Board and Committee meetings held are reimbursed as per account rendered.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-Executive Directors (NEDs) are appointed to bring his/her experience, proficiency and independent viewpoint in order to help and confront the Board making sure that Board decisions are transparent, fair and in the interest of the Company and its shareholders. NEDs are not involved in the management of the Company on a daily basis. NEDs receive sitting fees for attending the meeting of the Board and Board Committees as approved by the Board on a recommendation of the Committee. The Committee recommends the sitting fees in compliance with applicable provisions of the Companies Act, 2013 read with the applicable rules thereto and Listing Agreement.

The NEDs are not included in incentive programmes (i.e. employees' stock options schemes, bonus pay or similar plans).

Expenses incurred in connection with attending the Board and Committee meetings are reimbursed as per account rendered.

REMUNERATION OF SENIOR MANAGERIAL PERSONNEL (INCLUDING KEY MANAGERIAL PERSONNEL, EXCEPT EXECUTIVE DIRECTORS AND MANAGING DIRECTOR) (“SMP”)

Fixed and variable remuneration: The Board believes that a combination of fixed and variable/incentive pays (linked to performance of the Company as well as individual) to the SMP ensure that the Company can attract and retain best talents. Incentives can help in creating shareholder value.

The remuneration of SMP mainly comprises basic salary, allowances, perquisites, variable/incentives pay linked to performance, reimbursement of expenses and retirement benefits. Allowance, perquisites, bonus, variable/incentives pay and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling under various statutes.

The components of the total remuneration vary for different grades and are governed by the qualification, experience/merits and performance of each employee. The Company while deciding the remuneration also takes into consideration present employment scenario and prevailing remuneration package of the industry.

The annual variable/incentive pay is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company’s targets fixed in the beginning of the year.

Personal benefits: SMP is also eligible to a number of work-related benefits, including company car, free telephony, broadband at home, and work-related newspapers and magazines. The extent of individual benefits is negotiated with each individual SMP. SMP is also covered/insured by various insurance policies taken by the Company for its employees, such as:

- Group Personal Accident Policy

DISCLOSURE OF INFORMATION

The Company's Remuneration Policy shall be disclosed in the Board’s Report and also published on its website.
