



Apcotex Industries Limited

Nomination and Remuneration Policy

VERSION HISTORY

Version	Adopted / Amended by	Date of Approval / Amendment
1	Board of Directors	March 28, 2019
2	Board of Directors	January 28, 2025

TERMS OF REFERENCE:

The terms of reference of the Nomination & Remuneration Committee (NRC), inter alia, consists of reviewing overall compensation policy, service agreements, performance incentive and other employment conditions of Directors, Key Managerial Personnel (KMP's) and Senior Management Personnel (SMP). The recommendations of the NRC are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

GUIDING PRINCIPLES:

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

The Nomination and Remuneration Policy ('the policy') reflects the overriding remuneration philosophy and principles of the **Apcotex Industries Limited** ('the Company'). While determining the remuneration policy and perks/ arrangements for Director(s) / Key Managerial Persons (KMP), Senior Management Personnel (SMP), the NRC considers, pay and employment conditions with peers/ elsewhere in the competitive market to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate in this context.

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 NRC while considering a remuneration package must ensure a balance between fixed and incentive 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 a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

1. OBJECTIVE:

The Key Objectives of the Committee would be:

- a) ensure compliance of the applicable provisions with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 as amended from time to time relating to Nomination and Remuneration of Directors, Key Management Personnel (KMP) and Senior Management Personnel (SMP).
- b) to recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- c) to evaluate performance and recommend remuneration of the Directors, KMP and SMP.

2. DEFINITIONS:

- (a) **Applicable Laws** means the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.
- (b) **Chief Executive Officer (CEO)** means a person appointed by the Board of Directors to head a particular division or entire company.
- (c) **Non-Executive Directors (NED)** in relation to the Company means a member of the Board of Directors of the Company who is not in employment of the Company.
- (d) **Key Managerial Personnel (KMP):** KMP means:
 - (i) Chief Executive Officer or the Managing Director or Manager and in their absence, a Whole-time Director;
 - (ii) Company Secretary;
 - (iii) Chief Financial Officer;
 - (iv) such other officer, not more than one level below the Directors, who is in whole-time employment, designated as Key Managerial Personnel by the Board.
- (e) **Senior Management Personnel (SMP):** Senior Management Personnel means officers and personnel of the Company who are members of its core management team, excluding

the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the identified and designated as key managerial personnel, other than the Board of Directors, by the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

For the purpose of above definition of SMP, the Nomination & Remuneration Policy, specifically exclude:

- i. Any employee reporting temporarily to Chairman or any Executive / Non-Executive Director;
- ii. Non-core team member reporting to the Chairman or any Executive / Non-Executive Director; and
- iii. Head of the function or department reporting to another function / department head already identified as SMP.

3. ROLE OF COMMITTEE:

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(1A). 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. considers the time commitments of the candidates
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
 3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. 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.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management

4. MEMBERSHIP:

The Committee shall:

- a) include only Non-Executive Directors and
- b) consist of atleast three Non-Executive Directors, out of which atleast two-third of the Directors shall be independent director.
- c) Minimum two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance shall constitute a quorum of the meeting.
- d) Chairman of the Company can be the member of the NRC.
- e) Membership of the Committee shall be disclosed in the Annual Report.
- f) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON:

- a) Chairperson of the Committee shall be an Independent Director.
- b) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- c) Chairperson of the Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries

6. FREQUENCY OF MEETINGS:

NRC shall meet at least once in a year.

7. COMMITTEE MEMBERS' INTERESTS:

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING:

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

10. MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

11. DISCLOSURE OF INFORMATION:

The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

12. AMENDMENT:

The policy will be subject to review and amendment, as and when necessary, to ensure the same remain relevant and aligned with the evolving best practices and regulatory changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.