



*Astral Poly Technik Limited*

*Nomination And Remuneration Policy*

### **Preamble:**

- ❖ Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel and Senior Management.

### **Objective:**

The Objective of the Policy is 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;
- ❖ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ❖ Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

### **Definitions:**

The definitions of some of the key terms used in this Policy are given below:

- ❖ “Act” means Companies Act, 2013 and rules framed thereunder as amended from time to time.

- ❖ **“Board of Directors” or Board**, in relation to the company, means the collective body of the Directors of the Company.
- ❖ **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- ❖ **“Company”** means “Astral Poly Technik Limited”.
- ❖ **“Managerial Personnel”** means Managerial Personnel or Persons, defined under section 196 and other applicable provisions of the Companies Act, 2013.
- ❖ **“Policy” or “This policy”** means Nomination and Remuneration Policy.
- ❖ **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- ❖ **“Independent Director”** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- ❖ **“Key Managerial Personnel” (KMP)** means;
  - a. The Chief Executive Officer or the Managing Director or the Manager or the Whole-time Director;
  - b. The Company Secretary and
  - c. The Chief Financial Officer
- ❖ **“Senior Management”** mean personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the 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 the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Constitution of Nomination and Remuneration Committee:**

- ❖ The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.
  
- ❖ The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the Listing Agreement.

**Role of the Committee:**

The role of the Committee shall include;

- a) Formulate the criteria for determining qualifications, positive attributes or independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
  
- b) Formulation of criteria for evaluation of Independent Director and the Board.
  
- c) Devising a policy on Board diversity.
  
- d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

- e) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
  - f) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- ❖ The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.
  - ❖ The Committee shall have the authority to call such employee (s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.
  - ❖ The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorised by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.
  - ❖ The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.

**Appointment of Managerial Personnel, Director, KMP and Senior Management:**

- ❖ The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment or re-appointment.

- ❖ A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- ❖ Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the Listing Agreement.

#### **Remuneration of Managerial Personnel, KMP and Senior Management:**

- ❖ The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel 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 Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- ❖ If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- ❖ If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior 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.

- ❖ Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- ❖ The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.
- ❖ Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any official liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### **Remuneration to Non-Executive / Independent Directors:**

- ❖ **Remuneration / Profit Linked Commission:**

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and Clause 49 of Listing Agreement.

❖ **Sitting Fees:**

The Non- Executive 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 maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

❖ **Limit of Remuneration /Profit Linked Commission:**

Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3% of the net profits of the Company respectively.

**Stock Options:**

- ❖ Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee, except Independent Directors, shall be entitled to any Employee Stock Options (ESOPs) of the Company.

**Policy on Board diversity:**

- ❖ The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain etc or as may be considered appropriate.
- ❖ The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.



### **Monitoring, Evaluation and Removal:**

#### **❖ Evaluation:**

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

#### **❖ Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

### **Minutes of Committee Meeting:**

- ❖ Proceedings of all meetings must be minutes and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

### **Amendment to the Policy:**

- ❖ The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.
- ❖ In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly

from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

**Disclosure:**

- ❖ The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.