

# **AMINES AND PLASTICIZERS LTD.**

## Nomination & Remuneration Policy

Amended on May 29, 2023

## 1. Introduction

Amines and Plasticizers Limited has always striven to ensure a culture where that it has a right blend of Vigilant, Independent and Diversified leadership on Board. In line with this and to ensure the compliance of various laws including Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time), it has adopted this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management that is formulated by the Nomination and Remuneration Committee of the Company.

## 2. Definitions

“Act” means the Companies Act, 2013 and the Rules framed thereunder as may be amended from time- to-time.

“Board” means the Board of Directors of the Company.

“Company” means Amines and Plasticizers Limited.

“Committee” means the Nomination and Remuneration Committee of the Board of Directors of Amines and Plasticizers Limited constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Compliance Officer” means the Company Secretary of the Company or any officer possessing CS Qualification duly appointed by the Board

“Directors” means members of the Board of Directors of the Company.

“Executive Director” means the Managing Director, Whole-time Director, as the case may be and includes Directors who are in the full time employment of the Company.

“Key Managerial Personnel” shall have the same meaning as in Section 2 (51) of the Act including Compliance Officer of the Company.

“Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Senior Management” means officers/personnel of the Company who are members of its

core management team excluding Board and shall comprise of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including CEO / Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer. However, administrative staff shall not be included.

The words and expressions used in this policy not defined herein above will have the same meaning as defined in the Act and Listing Regulations.

### 3. Applicability

This Policy is applicable to:

- a. Directors (Executive and Non-Executive);
- b. Key Managerial Personnel (KMP);
- c. Senior Management.

### 4. Objective

This Policy intends to achieve the objective of:

Determination of criteria for recommending the appointment and removal of all Directors, Key Managerial Personnel and Senior Management.

Setting out a Comprehensive framework that assures fair and just remuneration to the Directors, Key Managerial Personnel Senior Management Personnel such that the Company's business strategies, values, key priorities and goals are in harmony with their aspirations.

Ensuring Board diversity.

### 5. Duties of the Nomination and Remuneration Committee

The duties of the Committee in relation to nomination and remuneration matters include:

- 5.1 to help the Board in determining the appropriate size, diversity and composition of the Board;
- 5.2 to recommend to the Board appointment/re-appointment and removal of Directors and KMPs;

- 5.3 to frame criteria for determining qualifications, positive attributes and independence of Directors;
  - 5.4 to recommend to the Board remuneration payable to the Directors and KMPs [while fixing the remuneration for Directors (including Executive and Non-Executive Directors) the restrictions contained in the Act is to be considered];
  - 5.5 to create an evaluation framework for Independent Directors and the Board;
  - 5.6 to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
  - 5.7 to recommend 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;
  - 5.8 to assist in developing a succession plan for the Board and Senior Management;
  - 5.9 to assist the Board in fulfilling responsibilities entrusted from time-to-time;
  - 5.10 delegation of any of its powers to any Member of the Committee, CS or the Compliance Officer.
6. Criteria for recommending appointment and removal of Directors
1. Appointment
    - a. The Committee shall identify:

Persons who, in its discretion possess adequate qualifications, expertise and experience for the position he / she is considered to be appointed. The person should have knowledge of at least one or more domain areas like, finance, law, management, sales, marketing, administration, research, governance, strategy, operations or other disciplines related to the Company's business.

Person shall uphold ethical integrity, have a pedigree of acting objectively, shall have no adverse order(s) passed by any Regulatory body, should have a proven track-record of meeting professional obligations including a reputation to manage challenges.
    - b. Independence Criteria:

An Independent Director should meet with requirements of the Act read with Schedule IV of the Act and provisions of the Listing Regulations.

An Independent Director shall hold office for a term upto 5 consecutive years and will be eligible for re-appointment on passing of a special resolution by the Company and following the procedure under the Act / Listing Regulations.

No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each. In the event the same person is to be appointed as an Independent Director after two consecutive terms of five years, a cooling period of 3 years or as required under the Act is required to be fulfilled.
    - c. No person shall be appointed as a Managing Director or Whole Time Director who is below the age of twenty-one years or has attained the age of seventy years; (Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person).

- d. The Company shall appoint or re-appoint Executive Directors 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 of the concerned Executive Director.
  - e. Other Directorships / Committee Memberships:  
The Committee shall take into account that a Director shall not serve as Director / Independent Director or act as a Chairman or Member in such number of companies or Committees as may be prescribed under the Act, Listing Regulations and other relevant laws, if any.
2. **Removal & Retirement of Directors**  
The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management due to reasons for any disqualification mentioned in the Act or rules made thereunder or under any other applicable Act, rules and regulations.  
The Directors shall retire as per the applicable provisions of the Act. Recommendation of reappointment and reappointment of any Director shall be purely at the discretion of the Committee and Board respectively.
7. **Criteria for appointment and Removal of KMP / Senior Management Personnel and performance evaluation**
    - a. The Company has a well-defined recruitment process for Key Managerial Personnel, KMPs and Senior Management. The Executive Director is entrusted with this function and reports to the Chairman and Managing Director of the Company.
    - b. The appointment of KMP shall be approved by the Board on prior recommendation of the Nomination and Remuneration Committee.
    - c. The management considers various factors while evaluating a person for appointment as senior management including individual's background, business acumen, analytical abilities, competency, skills, abilities (viz. leadership, ability to exercise sound judgment), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company;
    - d. The appointee while continuing in his / her office shall not engage in any business or commercial activity, which might detrimentally conflict with the interest of the Company.

The KMP and Senior Management shall have a well-defined appraisal and performance evaluation framework. The evaluation process shall be monitored by Executive Director of the Company and approved by the Chairman and Managing Director.

Removal/ Retirement:

KMPs and Senior Management shall retire as per the applicable provisions of the Act and the prevailing Company policy. The Committee may on deserving basis recommend the extension of service of a KMP or a Senior Management Personnel after attaining the age of superannuation. In the event any KMP and Senior Management Personnel attracts any disqualification mentioned in the Act or under any Law, the Committee may recommend to the Board the removal of the said person.

8. Remuneration to Directors / KMP (non-Board and other than Senior Management) / Senior Management and other employees

I. Remuneration to Directors

a. Executive Directors

The remuneration to the Executive Directors shall be governed by the provisions of the Act, Listing Regulations or any other enactment for the time being in force. The Committee/ Board shall take into account the Company's Standalone and Consolidated performance, the contribution of the Executive Directors for the same, remuneration trends in general, meeting of appropriate benchmarks (such as remuneration paid in like- size companies) and which will ensure and encourage a high performance culture.

The overall remuneration of Executive Directors, where there are more than one, shall not exceed 10% of the net profit calculated in the manner provided under the Act, and shall not exceed 5% in case there is only one Executive Director unless an amount or percent for one such Executive Director has been approved by the shareholders by passing of a Special Resolution. In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of an Executive Director, the payment of remuneration shall be governed by the applicable limits prescribed under the Act and Rules framed thereunder, as amended from time to time.

The Executive Directors will also be entitled to sitting fees as paid to Non-Executive and Independent Directors (unless specifically waived by them or not entitled in terms of their respective agreements).

The fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting (which shall be valid till the expiry of the term of such director) if-

- (i) the annual remuneration payable to such Executive Director exceeds rupees 3 crore or 5 per cent of the net profits of the Company, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company

b. Non-Executive Directors

The Non-Executive Directors and Independent Directors will receive sitting fees / commission as per the provisions of the Act and in compliance with the provisions of the Listing Regulations. The amount of the sitting fees will not exceed the ceiling / limit under the Act. An Independent Director will not be eligible to any stock option of the Company.

The Board of Directors will from time-to-time fix the sitting fees for attending the meetings of the Board and its Committees on the recommendations of the Committee.

The Non-Executive Directors and Independent Directors will be paid commission in aggregate an amount of 1% of the standalone Net Profit of the Company in the financial year as calculated in terms of Section 198 read with Section 197 of the Act, if proposed and approved by the Board. In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of the Non-Executive Director or Independent Director, the payment of remuneration shall be governed by the applicable limits prescribed under the Act and Rules framed thereunder, as amended from time to time provided that the payment of such commission in the year of absence or inadequate profit has been approved by a Resolution passed by the shareholders.

The Commission to Non-Executive Directors and Independent Directors will be paid on a uniform basis to reinforce the principle of collective responsibility. If a Non-Executive Director or Independent Director works as such only for a part of the year, he will be paid commission for the relevant financial year on a proportionate basis for the period during which he held the post of such Director. The commission will be payable only after the Annual Audited Financial Statements are approved by the shareholders at the Annual General Meeting of the Company. The Non-Executive Directors and Independent Directors may forego receiving of commission/sitting fees by making a request to the Board.

A director can be paid fee in addition to the Remuneration, Sitting fees and Commission as mentioned above, if such Director renders any service(s) of Professional nature to the Company which in the opinion of the Nomination and Remuneration Committee requires specific judgement and skills for the practice of that particular profession.

## II. Remuneration to KMP and Senior Management

- a. The remuneration to KMPs and Senior Management will be benchmarked on the remuneration package prevailing in the country and industry and will have a fixed component and a performance based component.
- b. Remuneration to be paid to senior management in whatever form, whether at the time of appointment or during annual revisions shall be recommended by the Committee to the Board for its approval.

## 9. Review and Amendment

This policy may be reviewed and amended by the Nomination and Remuneration Committee as and when required and any amendment thereto shall be presented before the Board for approval.

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 the Nomination and Remuneration Committee shall amend this Policy accordingly.

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