

DIRECTOR APPOINTMENT, NOMINATION & REMUNERATION POLICY



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This Director Appointment and Nomination and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board") of A- 1 ACID LIMITED (the "Company").

1. PURPOSE:

The objective of this Policy is to provide a framework and set standards for the appointment of high quality directors who have the capacity and ability to lead the Company towards achieving sustainable development. The Company aims to achieve a balance of experience and skill amongst its directors. It also defines the role of the Nomination and Remuneration Committee.

2. DEFINITIONS:

"Board" means boards of directors of company.

"Committee" Means Nomination and Remuneration Committee of the company as constituted or reconstituted by the board, in accordance with the act.

"Company" Means of A-1 ACID LIMITED.

"Independent Director" Means Director referred to in section 149(6) of the companies act, 2013 and other rules applicable.

"Key Managerial Personal" (KMP) Mean: -

- I) the Chief Executive Officer or the managing director or the manager
- II) the Company secretary;
- III) the Whole-time director;
- IV) the Chief Financial Officer
- V) 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;
- VI) Such other officer as may be prescribed.

"Senior Management" means 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.

3. ACCOUNTABILITY:

3.1The Board is ultimately responsible for the appointment of directors.

3.2In terms 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 ("Listing Regulations"), the Nomination and Remuneration Committee ("NRC") assesses and selects candidates for directors and recommends to the Board for their appointment.

4. ROLE OF NOMINATION & REMUNERATION COMMITTEE:

The NRC is responsible for:

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4.1 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;

4.2 formulations of criteria for evaluation of performance of independent directors and the board of directors;

4.3 devising a policy on diversity of board of directors;

4.4 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.

4.5 to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Committee shall ensure 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; and

(c) 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.

5. APPOINTMENT OF DIRECTORS:

5.1 Matching the needs of the Company and enhancing the competencies of the Board are the basis for the NRC to select a candidate for appointment to the Board. When recommending a candidate for appointment, the NRC will have regard to:

- assessing the individual against a range of criteria including but not limited to industry experience, background, and other qualities required to operate successfully in the position, with due regard to the benefits of diversity of the Board;
- the extent to which the individual is likely to contribute to the overall;
- effectiveness of the Board and work constructively with the existing directors;
- the skills and experience the individual brings to the role and how these will enhance the skill sets and experience of the Board as a whole;
- the nature of positions held by the individual including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- the time commitment required from a director to actively discharge his duties to the Company.

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5.2 The recommended director would:

- Possess a degree in a relevant discipline;
- Have experience of management in a diverse organization;
- Have excellent interpersonal, communication and representational skills;
- Leadership skills;
- Possess high standards of ethics, personal integrity and probity;
- Continuously refresh his professional knowledge and skills.

For details of the personal specifications of a director, please refer to **Annexure-1**.

5.3 Every director should ensure that he can give sufficient time and attention to the Company's affairs and regularly attend Board meetings and other committee meetings in which he is a member.

5.4 The Policy aims to engage directors (including non-executive and independent non-executive directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting law, management, sales, marketing, administration, corporate governance, technical operations or other disciplines related to the business of the Company and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.

5.5 The Company is required to appoint at least one independent non-executive director who must have appropriate professional qualifications on accounting or related financial management expertise in accordance with Regulation 18 of the Listing Regulations.

5.6 In addition to those requirements specified in the clauses 5.2 and 5.3, the independent non-executive directors shall also fulfill the requirements pursuant to Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the Listing Regulations.

6. APPOINTMENT PROCEDURE:

6.1 The NRC shall ensure that the appointment of directors will be in terms of the Policy and recommendations made to the Board for appointment.

6.2 If required, an external data base can be used and advice taken to access a wide base of potential directors as prescribed under the Companies Act, 2013.

6.3 The Nomination and Remuneration committee need to comply with all the requirements as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

7. APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

7.1 The NRC shall ensure that the appointment and remuneration payable to the Managing Director(s), CEO, Whole-time Directors, Manger, if any are in accordance with the provisions of Chapter XIII (Sections 196 to 203) read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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7.2 The NRC may recommend a suitable sitting fee, reimbursement of incidentals, travel and other expenses to non-executive directors as may be prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

8. 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.

9. AMENDMENT OF POLICY:

The Board of Directors may review or amend this policy, in whole or in part, from time to time, as per the requirements of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactments/rules as may be applicable.

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ANNEXURE-1

PERSONAL SPECIFICATION FOR DIRECTORS

1. QUALIFICATION:

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, sales, marketing, administration, finance, and Corporate Governance and hospitality industry related disciplines); or
- Recognized specialist.

2. EXPERIENCE:

- Experience of management in a diverse organization;
- Experience in accounting and finance, administration, corporate, legal and strategic planning;
- Ability to work effectively with other members of the Board.

3. SKILLS:

- Excellent interpersonal, communication and representational skills;
- Leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills;
- Continuous professional development to refresh knowledge and skills;

4. ABILITIES & ATTRIBUTES:

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe the fundamental code of conduct.