

**AEONX DIGITAL TECHNOLOGY
LIMITED**
(CIN: L62099MH1992PLC069615)
(FORMERLY KNOWN AS ASHOK ALCO-CHEM LIMITED)

Nomination and Remuneration Policy

1. Preamble

Pursuant to Section 178 of the Companies Act, 2013 and the Rules made thereunder and Clause 49(IV) of the Listing Agreement, as amended from time to time, this Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees has been formulated and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

2. Objectives

The objective and purpose of this Policy are:

- a) To lay down criteria of appointment of Directors and senior management personnel and identify the persons who are qualified to become directors and who may be appointed in senior management;
- b) To attract, retain and motivate the directors, key managerial personnel and other employees and ensure competitive remuneration compared to level and composition;
- c) To lay down the criteria of evaluation of performance of every director.
- d) To ensure relationship of remuneration to performance and meet appropriate performance benchmarks.
- e) 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:

3. Definition

- a) **'Act'** means Companies Act, 2013 and Rules made thereunder.
- b) **'Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the directors of the Company.
- c) **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- d) **'Company'** means Aeonx Digital Technology Limited.
- e) **'Directors'** means Directors of the Company.
- f) **'Independent Director'** means a director referred to in Section 149 of the Companies Act, 2013.
- g) **'Key Managerial Personnel'** (KMP) means:
 - i. Chief Executive Officer or Managing Director or Manager
 - ii. Company Secretary
 - iii. Whole-time Director
 - iv. Chief Financial Officer
 - v. Such other officer as may be prescribed.

'Senior Management Personnel' shall 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 director(s), 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 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Nomination and Remuneration Committee

a) Composition

The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be Independent Directors.

Provided that the Chairman, if any, of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The Board may, from time to time, determine the composition of the Committee.

b) Meetings

The Committee shall meet as and when required from time to time. The quorum shall be either two members or one third of the members of the Committee, whichever is greater.

c) Terms of reference / Functions of the Committee

The term of reference of the Nomination and Remuneration Committee, inter alia, includes:-

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Formulate the policy to ensure the following:
 - 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.
4. Devise a policy on Board diversity.
 5. To lay down criteria of performance evaluation of Independent Directors;
 6. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
 7. To perform such other functions as may be necessary or appropriate for the performance of its duties.

5) Appointment and Removal of Director, Key Managerial Personnel and Senior Management

• **Appointment criteria and qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

• **Term / Tenure**

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director 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.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director

shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

- **Disqualification for appointment of Directors**

1. Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:
 - a. He is of unsound mind and stands so declared by a competent court;
 - b. He is an undischarged insolvent;
 - c. He has applied to be adjudicated as an insolvent and his application is pending;
 - d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- e. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
 - f. He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
 - g. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - h. He has not complied with sub-section (3) of section 152.
2. No person who is or has been a director of a company which
 - a. Has not filed financial statements or annual returns for any continuous period of three financial years; or

b. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

• **Evaluation**

The Committee shall carry out evaluation of performance of each Director based on detailed performance parameters including but not limited to the following:

- i. Expertise;
- ii. Objectivity and Independence
- iii. Guidance and support in context of the Company's operations;
- iv. Understanding of the Company's business;
- v. Understanding and commitment to duties and responsibilities;
- vi. Willingness to devote the time needed for effective contribution to Company;
- vii. Participation in discussions in effective and constructive manner at the Meetings;
- viii. Responsiveness in approach;
- ix. Ability to encourage and motivate the Management for continued performance and success.

• **Removal**

Due to reasons of an disqualification mentioned in the Companies Act 2013, rules made thereunder or under any applicable Act, Rules and Regulations, the Committee may recommend to the Board, with reasons to be recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6) Policy for Remuneration to Directors/KMP/Senior Management Personnel / other employees

1) Remuneration to Managing Director / Whole-time Directors / Manager:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-Time Directors / Manager shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Board and/or Members of the Company, if required.

- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors / Manager.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) Payment of commission to the Non- Executive / Independent Directors (excluding sitting fees for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such commission shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

The Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel, Senior Management and Other Employees:

- a) The remuneration to Key Managerial Personnel, Senior Management and other employees 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.
- b) The Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel, Senior Management and other employees.

- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel, Senior Management and other employees, to be decided annually or at such intervals as may be considered appropriate.

7) Policy on Board Diversity

In recommending the appointment of new directors, the Committee will:

- in identifying suitable candidates for appointment to the Board, consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board;
- in reviewing the Board composition, consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience, knowledge and character on the Board; and
- as part of the performance evaluation of the Board, consider the balance of skills, experience, knowledge and independence of the Board.

8. 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, clarification(s), circular(s) etc.

9. Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.