

REMUNERATION POLICY

Aquapharm Chemical Limited
(Formerly known as Advaya Chemical Industries Limited)

Registered Office:

9th & 10th Floor, "Amar Synergy", 12B, Sadhu Vaswani Road, Pune 411001, India

Tel: + 912026053396

Website: www.aquapharm-india.com

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AQUAPHARM CHEMICAL LIMITED

REMUNERATION POLICY

1. INTRODUCTION

This Remuneration Policy is framed in terms of the Companies Act, 2013, as amended (referred to as “the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (referred to as the “SEBI Listing Regulations”). This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee in pursuance of the Company’s policy to consider human resources as its invaluable assets and to harmonize the aspirations of human resources consistent with the goals of the Company.

2. DEFINITIONS

‘Act’ means Companies Act, 2013 as amended and rules made thereunder.

‘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 (‘NRC Committee’) of the Company as constituted or reconstituted by the Board.

‘Company’ means Aquapharm Chemical Limited.

‘Directors’ means Directors of the Company.

‘Executive Directors’ means the personnel as such holding senior managerial position in the Company.

‘Independent Director’ means a director referred to in Section 149 (6) of the Act.

‘Key Managerial Personnel’ (KMP) means:

- Chief Executive Officer or the Managing Director or the Manager
- Chief Financial Officer
- Company Secretary
- Whole-time Director
- 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; and
- such other officer as may be prescribed;

‘Ministry’ means the Ministry of Corporate Affairs, Government of India.

“Senior Management Personnel” means the officers and personnel of the Company who are members of its core management team, excluding the directors on the Board. This shall

include all 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 persons identified and designated as key managerial personnel, other than the Board of Directors, by the listed entity.

‘Vice Presidents’ means personnel as such holding senior managerial position of the Company.

3. OBJECTIVES OF THE POLICY

The Policy is framed with the objectives of facilitating the following:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial and Senior Management Personnel.
- To determine remuneration based on the Company’s size and financial position and prevalent trends and practices on remuneration in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.

4. SCOPE OF THE POLICY

This Policy applies to Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel.

5. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

i. Appointment Criteria and Qualifications

- The Committee shall identify and ascertain the qualification, expertise and experience of a person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualifications, expertise and experience for the position he / she is being 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.
- The Company shall not ordinarily appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. The 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. However, the term of a person holding this position may be extended beyond the age of seventy years in such suitable cases as may be determined by the Committee.

ii. Term / Tenure

a) Managing Director:

The Company shall appoint or re-appoint any person as its Managing Director for a term not exceeding five years at a time.

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 if a special resolution is passed by the Company and such appointment is disclosed 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 from ceasing to be an Independent Director.

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 an 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 or the SEBI Listing Regulations.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals.

iv. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons 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.

v. 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 OF DIRECTOR, KMP AND SENIOR MANAGEMENT

(i) Remuneration of the Managing Director

- The remuneration paid to the Managing Director is recommended by the Committee and approved by the Board in the Board Meeting, subject to the subsequent approval by the shareholders at a general meeting and such other authorities, as the case may be.
- At the Board Meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to any Managing Director. The remuneration is arrived after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

(ii) Remuneration to Non-Executive & Independent Directors

- The Non-Executive Directors and Independent Directors of the Company would be paid sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such higher amount as may be permissible from time to time.
- The Non-Executive and Independent Directors may also be entitled to remuneration by way of such commission on profits pursuant to the provisions of the Act for a financial year as may be decided by the Board and approved by the shareholders of the Company from time to time in addition to the sitting fees for attending the meetings of the Board and any Committee thereof.
- The Non-Executive and Independent Directors are also entitled to reimbursement of travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.
- An Independent Director shall not be entitled to any stock option if announced by the Company.

(iii) Remuneration for Key managerial personnel, senior management and covenanted employees

The Remuneration to be paid to KMPs/ Senior Management Personnel/ covenanted employees shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Act and the rules made thereunder or any other enactment for the time being in force.

(iv) Remuneration for Non-Covenanted Employees

Non-Covenanted Employees are paid wages in accordance with the Memorandum of Settlement, entered with the recognized unions as per industry practice, as amended

from time to time.

7. AMENDMENTS TO THE POLICY

The Board on its own and / or as per the recommendations of the 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(s), circular(s) etc.

8. REVIEW AND MONITORING

The Board in consultation with the NRC Committee shall review and monitor the implementation of this Policy on an annual basis to ensure its effectiveness.

9. AMENDMENTS TO THE POLICY

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail. This Policy will be reviewed by the Committee as and when deemed necessary. The Board in consultation with the Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Company Secretary, being the Compliance Officer, is also authorized to make amendment in this Policy, where there are any statutory changes necessitating the amendment in the Policy.

10. DISCLOSURE OF THE POLICY

This Policy shall be made available on the website of the Company. The necessary disclosures about the policy and other details should be made as per the requirements of the SEBI Listing Regulations and the Act.

11. CUSTODIAN: Company Secretary and Compliance Officer

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