



Aptus Pharma Limited

Connecting.....Life

NOMINATION AND REMUNERATION POLICY

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1. Preamble

The Nomination and Remuneration Policy is framed by Aptus Pharma Limited in compliance of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 read with rules made thereunder, as amended from time to time.

2. Objective

The primary objectives of this Policy are as under:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
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 of Directors, key managerial personnel and senior management personnel.
3. To ensure that the level and composition of remuneration is in line with the industry benchmark, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organizational objectives.
4. To ensure that a reasonable balance is maintained in terms of composition of remuneration (fixed and variable component).
5. To have performance measurement parameters in place to assess the overall performance of Directors, Key Managerial Personnel, Members of Senior Management.
6. To develop a succession plan for the Board and to regularly review the plan.
7. To assist the Board in fulfilling responsibilities.
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.”
9. Devising a policy on Board diversity
10. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations
11. 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.

3. Definitions

- a. **“Act”** means the Companies Act, 2013 as may be amended from time to time.
- b. **“Board of Directors” or “Board”** means the Board of Directors of Aptus Pharma Limited, as constituted from time to time.
- c. **“Company”** means Aptus Pharma Limited.

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- d. **“Independent Director”** means a director of the Company, not being a whole-time director and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
 - e. **“Nomination and Remuneration Committee or NRC”** means the committee constituted by the Board of Directors of the Company in accordance with section 178 of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - f. **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.
 - g. **“Remuneration”** shall mean 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.
 - h. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation, amended from time to time.

4. Applicability

This policy will be applicable on following person:

- a. Directors;
- b. Key Managerial Personnel; and
- c. Senior Management Personnel.

5. Nomination Policy

The Committee shall consider following factors while Nominating candidature of any person for appointment on the Board of the Company:

- a. understanding of different fields like marketing, finance, operations management, legal, governance and other disciplines relevant to the success of Company in today's competitive business environment;
- b. understanding of the Company's business;
- c. experience in strategic issues and long-term perspectives;
- d. educational and professional background;

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business.

The NRC Committee shall, on the basis of the report of performance evaluation of Independent Directors, decide whether to extend or continue the term of appointment of the Independent Director or not.

The NRC shall identify the persons who may be appointed as Senior Management and KMP taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it deems appropriate.

The NRC shall recommend to the Board the appointment and removal of Senior Management and KMP of the Company.

6. Remuneration Policy

A. Managing Director/Whole-time Directors

The remuneration paid to Managing Director/Whole-time Directors shall be within the limits as approved by the Members of the Company, which may include fixed salary, perquisites, variable pay in the form of commission, other benefits and allowances and certain retiral benefits, within the overall limit under Section 197 read with Schedule V of the Act and any other applicable provisions of the Act.

They are also eligible for stock options, if any, as per the scheme framed/to be framed by the Company, from time to time.

Their annual increments shall be linked to their overall performance and as decided by the NRC, from time to time.

B. Non-executive/Independent Directors

The Non-Executive may be paid commission, subject to overall limit prescribed in the Companies Act, 2013 read with rules made there under and approval of the Members of the Company, if required.

The Independent Directors shall not be eligible for stock options. However, Non Executive Directors are eligible for stock options as may be decided by the Nomination and Remuneration Committee of Directors from time to time.

The Sitting Fees may be paid, for attending Board and/or Committee Meeting(s), to Non-executive/Independent Directors, with the approval of Board of Directors of the Company.

Provided that, sitting fees paid to Independent Directors shall not be less than as paid to Non-Executive Director.

C. Senior Management and Key Managerial Personnel (other than MD/WTM) In determining the remuneration of the Senior Management and KMP, NRC shall consider the following:

- a) relationship between remuneration and performance;
- b) the balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- c) the remuneration may be divided into two components viz.
 - I.fixed component comprising salaries, perquisites and retirement benefits; or/and
 - II.variable component comprising performance bonus.
- d) the remuneration including annual increment and performance bonus, may be decided based on the roles and responsibilities, the Company's performance visà-vis KRAs, industry Benchmark.

7. Guiding principles

The Policy ensures that:

- 1. 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;
- 2. Relationship of Remuneration to performance is clear and meets appropriate performance benchmarks; and
- 3. 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.

8. Nomination and Remuneration Committee

- I. Role of Committee. The role of the Committee inter-alia will be the following:
 - a) 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.
 - b) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and Senior Management.
 - c) To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.
 - d) To formulate criteria for evaluation of performance of the Board.
 - e) The Committee shall 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 and

relationship of remuneration to performance is clear and meets appropriate performance benchmarks

- f) The Committee shall ensure that the 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.
- g) Regularly review the Human Resource functions of the Company and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- h) To devise a policy on Board Diversity.
- i) Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time and make reports to the Board as appropriate.
- j) Such other work and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

II. Membership

- a) The Committee shall consist of a minimum 3 non-executive directors, out of which at least two-third shall be independent directors.
- b) Chairperson of the Committee shall be an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- c) Minimum two (2) members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance, shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

III. Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

- c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member or any other Director to answer the shareholders' queries.

IV. Frequency of meetings

The meeting of the Committee shall be held at such regular intervals as may be required but shall meet at least once a year.

V. Committee members' interests

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VI. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

VII. Voting

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

VIII. Minutes of Committee meeting

Proceedings of all meetings must be documented and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

9. Appointment of Directors

I. General appointment criteria

- a) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and accordingly recommend to the Board his / her appointment.
- b) The Company should ensure that the person so appointed as Director/ Independent Director/ Key Managerial Personnel / Senior Management Personnel shall not be disqualified under the Act, rules made there under or any other enactment for the time being in force.
- c) The Director/ Independent Director/ Key Managerial Personnel / Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Act, rules made there under, or any other enactment for the time being in force.
- d) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e) The Company shall appoint / re-appoint an independent director, in terms with its **"POLICY ON TERMS OF APPOINTMENT OF INDEPENDENT DIRECTOR"**

II. Tenure.

The Term / Tenure of the Directors shall be governed as per provisions of the Act and rules made there under as amended from time to time.

a) Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person 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:

- (i) 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 reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- (ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- (iii) Provided that an Independent Director shall not, during the said period of three (3) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- (iv) At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serve do not exceed the maximum number fixed under the Act and/or the Listing Regulations.

III. Removal.

Due to reasons for any disqualification mentioned in the Act, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

IV. Retirement.

The Director, Key Managerial Personnel and Senior Management 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, Key Managerial Personnel, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

10. Evaluation Process

- 1. The evaluation/assessment of the Directors, of the Company is to be conducted on an annual basis on basis of "Board and Independent Director Evaluation Policy" of the Company.
- 2. Following criteria of evaluation of performance may assist in determining how effective the performances of the Directors have been:

- a) Executive Directors. The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time.
 - b) Non-Executive Director. The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e., whether they:
 - (i) act objectively and constructively while exercising their duties;
 - (ii) exercise their responsibilities in a bona fide manner in the interest of the Company;
 - (iii) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
 - (iv) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
 - (v) refrain from any action that would lead to loss of his independence
 - (vi) inform the Board immediately when they lose their independence,
 - (vii) assist the Company in implementing the best corporate governance practices.
 - (viii) strive to attend all meetings of the Board of Directors and the Committees;
 - (ix) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
 - (x) strive to attend the general meetings of the Company;
 - (xi) keep themselves well informed about the Company and the external environment in which it operates;
 - (xii) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
 - (xiii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
 - (xiv) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.
3. Additionally, for the evaluation/assessment of the performances of Managing Director(s)/Whole Time Director(s) of the Company, following criteria may also be considered:
- a) Leadership abilities.
 - b) Communication of expectations & concerns clearly with subordinates.
 - c) Direct, monitor & evaluate Key Managerial Personnel, senior officials.

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4. Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.
 5. The Executive Director /Non-Independent Directors along with the Independent Directors will evaluate /assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

11. Policy Review

The policy shall be periodically reviewed and brought in conformity with statutory and regulatory requirements, as and when required.

This Policy has been approved at the Meeting of the Board of Directors held on 25th January, 2025.

12. Interpretation

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard.

13. Disclosure

The Policy is disclosed on Company's website i.e. www.aplus-pharma.com.
