



ACE INTEGRATED SOLUTIONS LIMITED

**NOMINATION AND REMUNERATION
POLICY**

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INTRODUCTION

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (The Committee) and has been approved by the Board of Directors.

Such policy is formulated to attract, retain and motivate all the employees of the Company on the basis of their performance to run the company successfully.

APPLICABILITY

This policy shall be applicable to the Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

OBJECTIVE

The remuneration policy for Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company is formulated with the following broad objectives:

- (a) 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;
- (b) Motivate KMP and other employees and to stimulate excellence in their performance;
- (c) Remuneration is linked to performance;
- (d) Ensuring that the remuneration to Directors, Key Managerial Personnel and other employees involves a balance between components of fixed & variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (e) Retain, motivate and promote talent and to ensure long term sustainability of talented employees.
- (f) The criteria for determining qualifications, positive attributes and independence of a Director.

DEFINITIONS

1. **“Board”** means Board of Directors of the Company.
2. **“Directors”** mean Directors of the Company.

3. **“Committee”** means Nomination and Remuneration Committee as constituted or reconstituted by the Board.
4. **“Company”** means “Ace Integrated Solutions Limited”.
5. **“Independent Director”** means a director referred to in section 149 (6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. **“Key Managerial Personnel (KMP)”** means-
 - (a) the Chief Executive Officer or the Managing Director or the Manager
 - (b) the Company Secretary
 - (c) the Whole-Time Director
 - (d) the Chief Financial Officer
 - (e) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
7. **“Remuneration”** means remuneration as defined under Section 2(78) of the Companies Act, 2013 including any amendment thereof.
8. **“Senior Management”** means 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 executive directors, including all functional heads.

APPOINTMENT CRITERIA

1. Managing Director & Whole-Time Director:

The Managing Director & Whole-Time Director shall be appointment on the basis of their qualification, expertise and experience in the Business. The term of the appointment or re-appointment of Managing Director & Whole-Time Director shall be for the period of five years. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-Time Director who has attained the age of seventy-five years, provided that the term of such person may be extended 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-five years.

2. Non-Executive Directors & Independent Directors:

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 5 years, 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. The appointment of the

Independent Directors shall be in accordance with Schedule IV to the Companies Act, 2013.

3. Key Managerial Personnel (KMP):

A person to be appointed as a KMP should possess adequate qualification, knowledge and expertise. The Committee has discretion to decide whether qualification, knowledge and expertise possessed by a person is sufficient/satisfactory for the concerned position.

4. Senior Management & other employees:

The person at the level of Senior Management and other employees shall be appointed as per the Human Resource Department.

REMUNERATION CRITERIA

1. Managing Director & Whole-Time Director:

The remuneration/compensation/commission etc. to the Managing Director, Whole-time Director will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. to the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

In addition to fixed remuneration, the Company may implement a system of performance linked incentives designed to create a strong relationship between performance and remuneration.

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior approval of central government, wherever it is required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Executive Director, Chief Executive Officer, the Company Secretary, Chief Financial Officer, and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2. Non-Executive Directors & Independent Directors:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

An Independent Director shall not be entitled to any stock option of the Company.

3. Key Managerial Personnel (KMP), Senior Management & other employees:

The Key Managerial Personnel, Senior Management and other employees of the Company shall be paid remuneration as per the policies implemented by the Company from time to time.

PERFORMANCE EVALUATION

The Committee shall evaluate performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular period of one year.

REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, 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, 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.

POLICY REVIEW

The Nomination & Remuneration Committee is responsible for monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make recommendation as and when required to facilitate a remuneration strategy, which will meet the needs of the Company.

In case of any subsequent changes in the provisions of Companies Act, 2013 & the rules made thereunder or other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the amended provisions or regulations would prevail over the policy and such policy would be modified in due course to make it consistent with the law. Such policy shall be reviewed and recommended by the Nomination & Remuneration Committee to the Board of Directors for approval.
