



NOMINATION AND REMUNERATION POLICY OF CETEX PETROCHEMICALS LIMITED



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1. PREFACE

- 1.1 Cetex Petrochemicals Limited (**the “Company”**) has always considered its human resource as its prime driving force. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.
- 1.2 The Company’s Board has Constituted a Nomination and Remuneration Committee (the “Committee”) consisting of three or more non-executive directors out of which not less than one-half are independent directors and the chairman of the said Committee is an independent director, in pursuant to Section 178 of the Companies Act, 2013 (the Act).

2. DEFINITIONS

- 2.1 **“Board”** means the Board of Directors of the Company.
- 2.2 **“Directors”** means Director of the Company appointed in accordance with the Companies Act, 2013.
- 2.3 **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 2.4 **“Policy or This Policy”** means, “Nomination and Remuneration Policy”
- 2.5 **“Company”** means Cetex Petrochemicals Limited (CPL)
- 2.6 **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 who is appointed on the Board (CPL).
- 2.7 **“Key Managerial Personnel” or “KMP”** in relation to a company means, as defined under section 2(51) of the Companies Act:
- i. The Chief Executive Officer or the managing director or manager;
 - ii. The Company Secretary;
 - iii. 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; and



- vi. Any other person as may be prescribed under the applicable statutory provisions/ regulations.

2.8 **“Senior Management”** means personnel of the company who are members of its core management team excluding Board of Directors of the comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy are 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.

3. APPLICABILITY

3.1 The Policy is applicable to:

- a) Directors (Executive and Non- Executive)
- b) Key Managerial Personnel.
- c) Senior Management Personnel.

4. CONSTITUTION OF COMMITTEE

4.1 The Board has the power to constitute/re-constitute the Committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement.

4.2 At Present, the Committee comprises of following Directors:

S.NO	Name of the Director	Category	Designation
1.	Mr. R. Vasudevan	Non- Executive Director	Chairman
2.	Dr. Gargi Kaul	Non- Executive and Independent Director	Member
3.	Mr. Ramachandran Balachandran	Non- Executive and Independent Director	Member
4.	Mrs. Saravanan Radhiga	Non- Executive Director	Member



5. KEY ROLES AND RESPONSIBILITIES OF COMMITTEE

- 5.1 The Committee shall 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.
- 5.2 The Committee shall 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.
- 5.3 The Committee Shall Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried by the Board, by Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 5.4 The Committee, while formulating the policy 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.
 - d) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
 - e) To devise a policy on Board diversity.
 - f) To develop a succession plan for the Board and to regularly review the plan.



6. TERM/TENURE

1) Managing Director/Whole Time Director:

- a) 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 or as may be prescribed under the Act.
- b) No re-appointment shall be made earlier than one year before the expiry of term.

2) Independent Director:

- a) 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 a special resolution by the company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms, but such Independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.
- c) 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.

7. REMOVAL

- 7.1 Due to reasons for any disqualifications 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 NRC 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.

8. RETIREMENT

- 8.1 The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 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 benefits of the Company.

9. CHAIRMAN

- 9.1 Chairman of the Committee shall be an Non-Executive Director.
- 9.2 Chairperson of the Company may be appointed as member of Committee but shall not be a Chairman of the Committee.
- 9.3 In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- 9.4 Chairman of the Committee could be present at the Annual General Meeting or may nominate some other member to answer the Shareholder's queries.

10. SECRETARY

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

11. MEETINGS

- 11.1 **Frequency of Meetings:** The Committee shall meet at least once a year and such regular intervals as may be required.
- 11.2 **Quorum:** The quorum for a meeting of the Committee shall be either two members or one-third of the members of the committee, whichever is greater, including at least one independent director in attendance.

12. MINUTES OF COMMITTEE MEETING

- 12.1 Proceedings of all meetings must be recorded in minutes book and signed by the Chairman of the Committee at the subsequent meeting.
- 12.2 Minutes of the Committee meetings will be placed at the subsequent Board meeting.

13. VOTING



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

14. COMMITTEE MEMBERS INTEREST

- 14.1 A Member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her evaluation is being evaluated.
- 14.2 The Committee may invite such other executives, as it considers appropriate, to be present at meetings of the Committee.

15. REMUNERATION

- 15.1 Policy relating to the Remuneration for the Whole-Time Director, KMP and Senior Management Personnel

a) General:

- 1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
- 3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be decided on time to time basis.



4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for Indemnifying them against any liability, 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.

b) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. **Fixed pay:** The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration / commission as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013. The remuneration in excess of limits prescribed in Schedule V may be paid if the resolution passed by the shareholders is a Special Resolution.
3. **Provisions for excess remuneration:** If any Whole-time 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 sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c) Remuneration to Non- Executive / Independent Director:



1. **Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.
2. **Sitting Fees:** 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 Rupees One lakh per meeting of the Board or Committee or such Amount as may be prescribed by the Central Government from time to time.
3. **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

16. EVALUATION

- 16.1 The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

17. DISSEMINATION OF POLICY

- 17.1 This Policy shall also be posted on the website of the Company and the details of the policy, including the evaluation criteria, shall be mentioned in the Board's Report.

18. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

- 18.1 This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the Committee.
- 18.2 This policy may be reviewed at such intervals as the Board or the Committee may deem necessary.
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Document Control Log

Title	NOMINATION AND REMUNERATION POLICY OF CETEX PETROCHEMICALS LIMITED		
Location	Cetex Registered Office	Department	NRC (Nomination and Remuneration Committee)
Document No:	Ref No.3	Revision No:	01
Effective Date	31/03/2025	Next Review Date	

Standards	Company Act, 2013
Clause No.	Section 178

Action	Name	Designation & Department	Date
Prepared by	Pradeep Kumar Nath	Company Secretary	31/03/2025
Reviewed by	1. Mr. Balasubramanian 2. Mr. S. Somasundaram	1. Whole Time Director 2. Chief Financial Officer	31/03/2025
Approved by	Nomination and Remuneration Committee	Nomination and Remuneration Committee	31/03/2025

Series No:	Version Number	Description Change	Version Change Date	Version Revised By (Name & Designation)	Version Approved By (Name & Designation)
01	01	Document Creation	Na	NA	Board


