



TERMINALS

Allcargo Terminals Limited

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NOMINATION & REMUNERATION POLICY

1. LEGAL FRAMEWORK

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules made thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (together referred to as “**Applicable Laws**”), Nomination & Remuneration Committee of the Board of Directors of the Company is required to recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management.

2. OBJECTIVE

This Policy aims to attract, retain and motivate the Members of the Board of Directors and Key Managerial Personnel and senior management of the Company by remunerating them reasonably and sufficiently to run the Company successfully. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for Stakeholders including Shareholders.

3. DEFINITIONS

“**Act**” means the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force).

“**Board**” means Board of Directors of the Company.

“**Company**” means Allcargo Terminals Limited.

“**Committee**” or “**NRC**” means Nomination & Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Key Managerial Personnel**” or “**KMP**” refers to Key Managerial Personnel as defined under Section 2(51) of the Companies Act, 2013:

“**Listing Regulations**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force).

“**Independent Director**” shall mean a Director of the Company who satisfies the criteria for independence under Section 149 (6) of Companies Act, 2013 read with Regulation 16 (1)(b) of the Listing Regulations

“Committee” shall mean the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Act read with Regulation 19 of the Listing Regulations

“Senior management” shall mean the officers/personnel of the Company who are members of its core management team excluding board of directors and 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 the functional heads by whatever name called, and the persons identified and designated as Key Managerial Personnel other than the Board of Directors of the Company.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. APPLICABILITY

This Policy applies to the Members of the Board, KMP and Senior Management of the Company.

5. GUIDING PRINCIPLES

The guiding principle of this Policy is that the remuneration and other terms of employment shall be competitive enough to ensure that the Company can attract, retain and motivate right kind of human resource for achieving the desired growth set by the Company’s management year on year thereby creating long-term value for all Stakeholders of the Company.

While designing the remuneration package, efforts are to be made to ensure that the remuneration matches the level in comparable companies, whilst also taking into consideration their required competencies, qualifications, industry experience, effort required and the scope of the work.

The Committee while considering a remuneration package ensure a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with Stakeholders.

6. BOARD DIVERSITY

- The Committee in their nomination process and while making recommendations to the Board shall endeavour to have an optimum combination of directors from different fields and gender.
- The Committee believes that a diverse and inclusive Board will be able to leverage different skills and perspectives, which is essential for achieving long-term growth and development.
- The criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment /re-appointment as Director, with no discrimination on the grounds of ethnicity, nationality, gender or race or any other such factor.
- While reviewing the composition of the Board, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above.

7. APPOINTMENT AND REMOVAL OF DIRECTOR AND KMP

7.1. Appointment criteria and qualifications:

- a. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director or KMP and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- b. A person to be appointed as Director or KMP should possess adequate qualification, expertise and experience for the position he / she is considered for.
- c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- d. For the purpose of identifying suitable candidates, the Committee may;
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- e. The Company shall appoint or continue the employment of a person as Managing Director / whole time Director and non-executive Director as prescribed under relevant laws.

7.2. Term / Tenure of Directors:

1. Managing Director / Whole-time Director

Board based on the recommendation of the NRC shall be responsible for identifying suitable candidate for the position of Managing Director/Whole-time Director.

Terms and conditions of the appointment shall be in accordance with the provisions of Act and Listing Regulation.

2. Non-Executive Director

Non-executive director's office is subject to retirement by rotation at the Annual general meeting in the manner as specified under relevant laws.

3. Independent Director

While evaluating a person for appointment/ re-appointment as an Independent Director, the Committee shall ensure that the proposed candidate satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Act, the Listing Regulations and other applicable laws.
- Has attained minimum age of 21 years and is not older than 75 years [Provided Company obtained Shareholder's approval as specified under Regulation 17(1A)].
- Does not hold independent directorship in more than seven listed entities.
- Does not hold directorship in more than three listed entities if serving as a whole-time director in any listed entity.

An Independent Director shall be under the obligation to inform the Board of Directors of any change in circumstances which may affect his/her independence.

4. Appointment of KMP & SMP

Managing Director and Chief Executive Officer ("MD & CEO") shall be responsible for identifying suitable candidate for the position of Key Managerial Personnel i.e., Chief Financial Officer, Company Secretary and other Senior Management Personnel.

While evaluating a candidate for appointment as Key Managerial Personnel or Senior Management Personnel factors such as competence, integrity, qualifications, expertise, skills and experience shall be taken into consideration.

Appointment of Key Managerial Personnel and Senior Management Personnel shall be approved by the Board on recommendation of the NRC and the MD & CEO.

7.3. Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

7.4. Retirement

The Directors and KMP shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors and KMP in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

8. Remuneration for Directors and KMP

8.1 General

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act, 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 limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Directors and KMP 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.

8.2 Remuneration of Executive Members of the Board:

The remuneration of Executive Members of the Board shall be paid as per the prevailing laws.

8.3 Remuneration of Non-Executive Members of the Board:

Non-Executive Directors are eligible for sitting fees and profit related commission in addition to reimbursement of expenses for attending the meetings of the Board and its Committees as per prevailing law.

Sitting Fees: Non-Executive Directors may receive remuneration by way of fees for attending the meetings of the 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 any such amount as may be prescribed under the Applicable Laws from time to time.

Commission if any, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with the Act).

An Independent Director shall not be entitled to any stock option issued or proposed to be issued by the Company.

The performance of the Executive and Non-Executive Members of the Board shall be reviewed by the Board on an annual basis.

8.4 Remuneration of Key Managerial Personnel:

The Company believes that a combination of fixed and performance-linked pay to the Key Managerial Personnel ensure that the Company can attract and retain key employees. At the same time, the Key Managerial Personnel are given an incentive to create Shareholder value through partly incentive-based pay. The Board of Directors sets the terms within the frames of the contracts based on the recommendation of the committee for Key Managerial Personnel.

The committee shall submit proposals concerning the appointment and remuneration of the Key Managerial Personnel and ensures that the remuneration is in line with industry standard in comparable companies. Such proposals then shall be submitted to the Board for approval. The remuneration of the Members of the Key Managerial Personnel may consist of the following components:

- Fixed salary
- Performance linked incentive / bonus;
- Stock options, if any;
- Variable pay;
- Personal benefits, e.g. Company provided accommodation, Company car, telephone, broadband, newspapers, etc., if any.

There shall be no agreed redundancy pay/compensation for voluntary or non-voluntary termination of services except as specially agreed in writing by the Company and the concerned Key Managerial Personnel.

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY:

All directors and officers (including Key Managerial Personnel and Senior Management Personnel) of the Company, subsidiary and joint venture Companies would be covered by the requisite Directors and Officers Liability Insurance Policy of the Company.

9. APPROVAL OF THE REMUNERATION POLICY

This Policy is amended and adopted by the Board at its meeting held on March 31, 2023 and shall be of guidance for the Board.

10. DISSEMINATION

Information on the total remuneration of Members of the Company's Board of Directors, Key Managerial Personnel may be disclosed in the Company's annual financial statements. The Company's Remuneration Policy shall be published on its website.

11. POLICY REVIEW

(a) This Policy is framed based on the provisions of the Act and rules thereunder.

(b) In case of any subsequent changes in the provisions of the Act which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

(c) This policy shall be reviewed by the Committee periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

Version	Effective Date	Description of Changes
1.0	April 01, 2023	Adoption of Nomination & Remuneration Policy at Board Meeting held on March 31, 2023