

APEX BUILDSYS LIMITED
{Formerly Known as Era Buildsys Limited}
(“the Company” or “APEX”)

APPOINTMENT AND REMUNERATION POLICY

SCOPE

This Policy is being made to comply with Section 178 of the Act (as defined below) and Listing agreement (as defined below).

This Policy aims to ensure that the persons appointed as Directors, Key Managerial Personnel and Senior Management possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to run the Company successfully.

This Policy is applicable to Non-executive Directors / Independent Directors, Key Managerial Personnel, Senior Management & Other Employees of the Company.

Part I	-	Non-executive Directors / Independent Directors
Part II	-	Key Managerial Personnel
Part III	-	Senior Management & Other Employees

DEFINITIONS

- i. “Act” means the Companies Act, 2013 read with the rules, clarifications, circulars and orders issued thereunder including any modification or re-enactment thereof.
- ii. “Board” means the Board of Directors of the Company.
- iii. “Independent Director” means an Independent Director of the Company appointed in pursuance of the Act and Listing Agreement with the stock exchanges.
- iv. “Key Managerial Personnel” or “KMP” means person(s) appointed as such in pursuance of Section 203 of the Act.
- v. “Listing Agreement” means the listing agreement between the Company and the stock exchanges on which the securities of the Company are listed and traded.
- vi. “NRC” means “Nomination, Remuneration and Compensation Committee” of the Board, constituted in accordance with the provisions of Section 178 of the Act and the Listing Agreement.
- vii. “Other Employees” means all the employees of the Company other than the Key Managerial Personnel and the Senior Management.
- viii. “Rules” means the rules framed under the Act.

- ix. "Senior Management" shall mean the personnel of the Company designated as Senior Management in accordance with the definition laid down under the Explanation to Section 178 (8) of the Act and /or Listing Agreement.
- x. "Stock Options" means the options given or to be given by the Company as per the prevalent Employees Stock Option Scheme/Plans of the Company.

Unless, the context otherwise provides, the terms not defined herein above and used in this Policy, shall bear the same meaning as prescribed under the Act, Listing Agreement with stock exchanges or any other relevant law.

Where an employee is a Key Managerial Personnel as well as holds a Senior Management Position (such as CFO), his/her terms of appointment shall be governed by both Part II and Part III of this Policy and in the event of any conflict, the stricter clause will prevail.

GENERAL QUALIFICATIONS AND ATTRIBUTES FOR ALL DIRECTORS

The prospective Director:

- Should be a person of integrity with high level of ethical standards.
- Should meet the requirements of the Act, the Listing Agreement and any other applicable laws for the time being in force.
- Should have requisite qualifications, skills, knowledge, experience and expertise relevant or useful to the business the Company is engaged in. The relevant experience could be in areas of management, sales, administration, research, Corporate Governance, manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology, marketing, law or any other area considered necessary by the Board/NRC.
- Should be a person who, whilst acting as a Director shall be capable of balancing the interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- Is expected to:
 - a. Uphold ethical standards of integrity and probity.
 - b. Act objectively and constructively while exercising his/her duties.
 - c. Exercise his/her responsibilities in a *bonafide* manner in the interest of the Company.
 - d. Devote sufficient time and attention to his/her professional obligations for informed and balanced decision making.
 - e. Not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

- f. Not abuse his/her position to the detriment of the company or its shareholders or to gain direct or indirect personal advantage or advantage for any associated person.
- g. Avoid conflict of interest, and in case of any situation of conflict of interest, make appropriate disclosures to the Board.
- h. Assist the Company in implementing the best corporate governance practices.
- i. Exhibit his/her total submission to the limits of law in drawing up the business policies, including strict adherence to and monitoring of legal compliances at all levels.
- j. Have ability to read and understand financial statements.
- k. Protect confidentiality of the confidential and proprietary information of the Company.

NRC has discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned position.

PART I – NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

OBJECTIVES

- Identify persons who meet the criteria for independence, if required, as set out under the Act and the Listing Agreement and possess appropriate qualifications, experience and attributes for appointment to a Company of our size.
- The remuneration payable to the Non-executive / Independent Directors takes into account the contributions of the Director to the operation and management of the Company.
- The remuneration payable to the Non-executive / Independent Directors is comparable to the remuneration paid to non-executive / independent directors in other companies which are similar to the Company in terms of size and complexity.
- The remuneration payable to the Non-executive / Independent Directors is fair & reasonable and is linked to the financial and operational performance of the Company.
- The terms of appointment of the Non-executive / Independent Directors are in accordance with the policies of the Company and applicable laws.

SPECIAL QUALIFICATIONS AND ATTRIBUTES FOR INDEPENDENT DIRECTORS

- In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Independent Director should meet following criteria:
 1. Is a person of integrity and possesses relevant expertise and experience;
 2. Neither is nor ever was a promoter of the Company or its subsidiary or associate company;
 3. Is not related to promoters, or directors in the Company, its subsidiaries or associate company or persons occupying management positions at one level below the board in the Company;
 4. Apart from receiving director's remuneration and reimbursement of expenses in accordance with the applicable laws, neither has nor had any pecuniary relationships or transactions with the Company, its subsidiaries or associate company or their promoters or directors or the senior management of the Company, during the two immediately preceding financial years or during the current year;
 5. None of his/her relatives has or had pecuniary relationship or transaction with the Company, its subsidiary or associate company, or their promoters, or directors of such amount as is prescribed in section 149(6)(d) of the Act (which is presently amounting to 2% or more of its gross turnover or total income or Rs. 50 Lakh, whichever is less) during the two immediately preceding financial years or during the current financial year;

6. Neither any of his/her relatives is nor he/she is, holding or has held the position of key managerial personnel or employee of the Company or its subsidiary or associate company in any of the three immediately preceding financial years;
7. Neither any of his/her relatives is/has been, nor he/she is/has been, an employee, executive or proprietor or a partner, in any of the three immediately preceding financial years, of any of the following:
 - i. a firm of auditors (both statutory and internal auditors) or company secretaries in practice or cost auditors of the Company or its subsidiaries or associate companies; or
 - ii. any legal or a consulting firm that has or had:
 - a) any transaction with the Company, its subsidiaries or associate companies amounting to 10% or more of the gross turnover of such firm; or
 - b) a material association with the Company;
8. Is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect his/her independence;
9. He/she, together with his/her relatives does not hold 2% or more of the total voting power of the Company;
10. Neither any of his/her relatives is nor he/she is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its subsidiary or associate company or that hold 2% or more of the total voting power of the Company;
11. Is not less than 21 years of age;
12. Satisfies the criteria set out under applicable laws including the Act and the Listing Agreement and abides by all applicable laws including provisions of Schedule IV of the Act (Code for Independent Directors).

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Depending upon the requirement of the Company, NRC shall identify the persons who fulfill the criteria mentioned above for appointment and recommend their appointment to the Board.
- The NRC has the option to select independent directors from a data bank maintained by any body, institute or associations as may be notified by the Central Government in accordance with Section 150 of the Act.
- The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration of Non-executive and/or Independent Directors subject to approval of the shareholders of the Company.
- The process for appointment of independent directors prescribed by applicable law, including the relevant provisions of the Act, the Listing Agreement and specifically the

procedure set out under Schedule IV of the Act (Code for Independent Directors), will be followed.

- The appointment process of Independent Directors shall be independent of the company management. While selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- The appointment of Independent Directors shall be formalized in accordance with applicable laws and disclosures in relation to such appointment will also be made by the Company in accordance with applicable laws.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC may recommend to the Board for removal from directorship of the Company.

ELEMENTS/COMPONENTS OF REMUNERATION

- Variable remuneration - Commission - As a % of the net profits of the Company as approved by the Board and/or the shareholders of the Company. Independent Directors will not be entitled to any Commission.
- Sitting fees for attending meetings of the Board and Committees thereof as approved by the Board.
- Reimbursement of expenses for participation in the meetings of the Board and other meetings in accordance with the applicable laws.
- Stock Options as per terms of prevalent Stock Options Plan. Independent Directors will not be entitled to Stock Options.

PART II – KEY MANAGERIAL PERSONNEL

Part I of this Policy comprises of three parts as under:

PART A - Managing Directors

PART B- Whole-Time Directors

PART C -Chief Financial Officer, Company Secretary and other KMPs

PART A- MANAGING DIRECTORS

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as a Managing Director.
- The remuneration payable to the Managing Director is commensurate with his/her qualification, experience and capabilities.
- The remuneration payable to each Managing Director takes into account the past performance and achievements of such Managing Director.
- The remuneration payable to the Managing Director is comparable to the remuneration paid to Managing Directors in other companies which are similar to the Company in terms of size and complexity.
- A suitable component of remuneration payable to the Managing Director is linked to his / her performance, performance of the business and the Company.
- The terms of appointment of the Managing Director are in accordance with policies of the Company and applicable laws.

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above, the prospective Director satisfies the criteria set out under applicable law including the Act and the Listing Agreement for eligibility to be appointed as a Managing Director.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Depending upon the requirement of the Company, NRC shall identify persons who fulfill the criteria mentioned above for appointment and recommend their appointment to the Board including terms of appointment and remuneration.

- The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration subject to approval of the shareholders of the Company.
- The process for appointment of Managing Directors prescribed by applicable law, including the relevant provisions of the Act and the Listing Agreement, will be followed.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, code of conduct and / or policies of the Company, NRC may recommend to the Board his/her removal from the services of the Company.

ELEMENTS/COMPONENTS OF REMUNERATION

- Fixed remuneration (including perks and allowances)
- Retiral Benefits (Provident Fund/Gratuity/Superannuation/Leave encashment etc.)
- Other Benefits (company car, telephone facility at residence and other benefits to enable them to discharge their responsibilities effectively, as per policy of the Company)
- Variable Remuneration as Commission based on Net Profits of the Company.
- No Sitting Fee shall be payable for attending the meetings of Board or Committees thereof.
- Stock Options as per terms of prevalent Stock Options Plan, if eligible.
- Normally, the remuneration to be paid to the Managing Directors payable during the tenure of the appointment of the Managing Directors is determined by the shareholders of the Company. Therefore, no prescribed increment will be given in salary, allowances and in the percentage rate of commission, during tenure of appointment of the Managing Directors. However, actual amount of remuneration may vary from year to year due to re-imburement claims and variation in profit linked commission.

The Board & the shareholders of the Company may approve changes in remuneration from time to time.

PART B- WHOLE-TIME DIRECTORS

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as Whole-Time Directors.
- The remuneration payable to each Whole-Time Director is commensurate with his/her qualification, experience and capabilities.
- The remuneration payable to each Whole-Time Director takes into account the past performance and achievements of such Whole-Time Director.
- The remuneration payable to the Whole-Time Directors is comparable to the remuneration paid to Whole-Time Directors in other companies which are similar to the Company in terms of size and complexity.
- A suitable component of remuneration payable to each Whole-Time Directors is linked to his / her performance, performance of the business and the Company.
- The terms of appointment of the Whole-Time Directors are in accordance with policies of the Company and applicable laws.

SPECIFIC QUALIFICATIONS AND ATTRIBUTES

In addition to the qualifications and attributes specified in 'General Qualifications and Attributes' above the prospective Director satisfies the criteria set out under applicable laws including the Act and the Listing Agreement for eligibility to be appointed as a Whole-Time Director.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Depending upon the requirement of the Company, NRC shall identify persons who fulfill the criteria mentioned above for appointment and recommend their appointment to the Board including terms of appointment and remuneration.
- The Board will consider recommendations of NRC and accordingly, approve appointment and remuneration subject to approval of the shareholders of the Company.
- The process for appointment of Whole-Time Directors that is prescribed by applicable law, including the relevant provisions of the Act and the Listing Agreement, will be followed.

Removal

- Where the appointee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, NRC may recommend to the Board his/her removal from the services of the Company.

ELEMENTS/COMPONENTS OF REMUNERATION

- Fixed remuneration (including perks and allowances).
- Retiral Benefits (Provident Fund/Gratuity/Superannuation/Leave encashment etc.)
- Other Benefits (company car, telephone facility at residence and other benefits to enable them to discharge their responsibilities effectively, as per policy of the Company)
- Variable Remuneration based on performance of the individual, business and the Company as a whole.
- No Sitting Fee shall be payable for attending the meetings of Board or Committees thereof.
- Stock Options as per terms of prevalent Stock Options Plan, if eligible.
- Annual Increment will be granted by the Board on recommendation of NRC based on performance of the individual, performance of the business and the Company as a whole.

PART C – CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND OTHER KMPs

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment as the Chief Financial Officer, Company Secretary and other Key Managerial Personnel (as may be relevant).
- The remuneration payable to the Chief Financial Officer, Company Secretary and other Key Managerial Personnel is commensurate with his/her respective qualification, experience and capabilities.
- The remuneration payable to each of the Chief Financial Officer, Company Secretary and other Key Managerial Personnel takes into account the past performance and achievements of such individual.
- The remuneration payable to each of the Chief Financial Officer, Company Secretary and other Key Managerial Personnel is comparable to the remuneration paid to persons holding the same or similar designations in other companies which are similar to the Company in terms of size and complexity.
- A suitable component of remuneration payable to each of the Chief Financial Officer, Company Secretary and other Key Managerial Personnel is linked to his / her performance, performance of the business and the Company.
- The terms of appointment of each of the Chief Financial Officer, Company Secretary and other Key Managerial Personnel are in accordance with policies of the Company and applicable laws.

QUALIFICATIONS AND ATTRIBUTES

- Should be a person of integrity with high level of ethical standards.
- Should meet the requirements of the Act and Rules made thereunder, the Listing Agreement and/or any other law and regulation for the time being in force.
- Have requisite qualification and experience in any of the fields like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required considering the business and operations of the Company, as may be relevant to the task he / she is expected to perform.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- The appointment of KMPs (including terms and remuneration) shall be approved by the Board.
- The appointment of the CFO will be in accordance with applicable law including any approval by the Audit Committee of the Company.. Upon the NRC recommending the appointment of the CFO to the Board, the Board shall, prior to such person being appointed as CFO, refer such recommendation to the Audit Committee which is required to approve such appointment. The Audit Committee is required to approve such appointment after assessing the qualifications, experience and background etc. of the person proposed to be appointed as CFO
- Where KMP is in Senior Management, the appointment (including terms and remuneration) shall be recommended by NRC to the Board for its approval.
- The process for appointment of each KMP as prescribed by applicable law (if any), including the relevant provisions of the Act and the Listing Agreement, will be followed.

Removal

- Where KMP is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, the Board may remove such KMP from the services of the Company.
- Where KMP is in Senior Management, his/her removal from the services of the Company shall be recommended by NRC to the Board for its approval.

ELEMENTS/COMPONENTS OF REMUNERATION

- Fixed remuneration (including perks and allowances)
- Retiral Benefits (Provident Fund/Gratuity/Leave encashment etc.)
- Other Benefits (company car, telephone facility at residence and other benefits to enable them to discharge their responsibilities effectively, as per policy of the Company)
- Variable Remuneration based on performance of the individual, function and the Company as a whole.
- Stock Options as per terms of prevalent Stock Options Plan.

ANNUAL APPRAISAL AND INCREMENT

The Company follows annual appraisal cycle of September to August. Increments will be effective September 1st of the year subsequent to performance year.

Annual appraisal and increment will be done by the Chairman & Managing Director / Co-Chairman & Managing Director after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of :
 - a) individual ;
 - b) function;
 - c) Company.
- The prevalent rate of increments given by companies of similar size and industry;
- The criticality of the individual to the Company in his capacity as a key managerial personnel.

PART III –SENIOR MANAGEMENT &OTHER EMPLOYEES

OBJECTIVES

- Identify persons who possess appropriate qualifications, experience and attributes for appointment in the Senior Management and Other Employees category.
- The remuneration payable to the Senior Management and Other Employees is commensurate with their qualification, experience and capabilities.
- The remuneration payable to each of the employees of the Company comprising Senior Management and Other Employees takes into account their past performance and achievements.
- The remuneration payable to the Senior Management and Other Employees is comparable to the remuneration paid to employees at the same level in other companies which are similar to the Company in terms of size and complexity.
- Depending upon the level of the employee, a suitable component of remuneration is linked to performance of such individual employee, the performance of the business and the Company as per HR Policy of the Company.
- The terms of appointment of Senior Management and Other Employees are in accordance with policies of the Company and applicable laws.

QUALIFICATIONS AND ATTRIBUTES

- Should be a person of integrity with high level of ethical standards.
- Should meet the requirements of the Act and Rules made thereunder, Listing Agreement with Stock Exchanges and/or any other law and regulation for the time being in force.
- Senior Management : Have requisite qualification and experience in any of the fields like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required considering the business and operations of the Company, as may be relevant to the task he / she is expected to perform.

NRC has discretion to decide whether qualification, expertise, experience and attributes possessed by a person are sufficient / satisfactory for the concerned Senior Management position.

- Other Employees: Qualification, expertise, experience and attributes will be determined by the Management as per HR Policy of the Company.

PROCESS OF APPOINTMENT AND REMOVAL

Appointment

- Depending upon the requirement of the Company, NRC shall identify the persons who fulfill the criterion mentioned above for appointment in Senior Management and recommend to the Board for their appointment including terms of appointment and remuneration.
- The Board will consider recommendations of NRC and accordingly approve the appointment (including terms of appointment and remuneration).
- Appointments to positions other than Senior Management will be made as per the Company's HR policy.

Removal

- Where an employee in Senior Management is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, the Board may remove such employee from the services of the Company, if recommended by NRC.
- In other cases, where an employee is subjected to any disqualification(s) mentioned in the Act, Rules or under any other law, rules and regulations, Code of Conduct and / or Policies of the Company, the Management of the Company may terminate the services of such employee as per HR Policy of the Company.

ELEMENTS / COMPONENTS OF REMUNERATION

- Fixed remuneration (including perks and allowances)
- Retiral Benefits (Provident Fund/Gratuity/Leave encashment etc.)
- Other Benefits (company car, telephone facility at residence and other benefits to enable them to discharge their responsibilities effectively, as per policy of the Company)
- Variable Remuneration for certain levels. This may be linked to performance of the individual, business and the Company as a whole.
- Stock Options as per terms of prevalent Stock Options Plan

ANNUAL APPRAISAL AND INCREMENT

The Company follows annual appraisal cycle of September to August. Increments will be effective September 1st of the year subsequent to performance year. of the year subsequent to performance year.

Annual appraisal and increment will be done for Senior Management by the Chairman & Managing Director / Co-Chairman & Managing Director and for Other Employees by the Senior Management

after taking into account the following:

- Individual's performance against Key Performance Indicators.
- The performance of the :
 - a) individual ;
 - b) business ;
 - c) Company.
- The prevalent rate of increments given by companies of similar size and industry;
- The importance of the individual to the Company in his capacity as a member of the Senior Management or Other Employees.

DISCLOSURES

The Policy shall be disclosed on the website / in the Annual Report of the Company as per the statutory requirement.

REVIEW/AMENDMENT

Based on the recommendation of the NRC, the Board may amend, abrogate, modify or revise any or all clauses of this Policy depending upon exigencies of business.
