



APEX FROZEN FOODS LIMITED

(CIN: L15490AP2012PLC080067)

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CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

1. PREAMBLE

Pursuant to Regulation 46(2)(f) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), every listed entity is required to disclose the criteria for making payments to its Non-Executive Directors ("NEDs"), either in its Annual Report or by hosting the same on its website with appropriate reference in the Annual Report.

Further, Sections 149, 166, 178 and 197 of the Companies Act, 2013 ("Act"), read with Schedule IV (Code for Independent Directors) and applicable rules framed thereunder, prescribe the framework governing appointment, duties, responsibilities and remuneration of Non-Executive Directors and Independent Directors.

Accordingly, this Policy sets out the criteria and framework for payment of remuneration to the Non-Executive Directors of Apex Frozen Foods Limited ("Company").

2. DEFINITIONS

Unless the context otherwise requires:

"Act" shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.

"Board" shall mean the Board of Directors of the Company.

"Committee" shall mean any committee constituted by the Board.

"Independent Director" shall have the meaning assigned under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

"Non-Executive Director" shall mean a director who is not in whole-time employment of the Company and includes Independent Directors.

“Nomination and Remuneration Committee” or “NRC” shall mean the committee constituted under applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

“SEBI Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3. OBJECTIVE

The objective of this Policy is to:

- a) ensure transparent and equitable compensation to Non-Executive Directors;
- b) recognize and compensate their contribution towards governance, strategic oversight and independent judgment;
- c) align remuneration practices with applicable legal and regulatory requirements; and
- d) attract and retain qualified and experienced directors on the Board.

4. APPLICABILITY

This Policy shall apply to all Non-Executive Directors, including Independent Directors, of the Company.

Executive Directors, including Managing Director and Whole-time Directors, shall be governed separately under the Company’s Nomination and Remuneration Policy and applicable employment arrangements.

5. CRITERIA FOR MAKING PAYMENTS

While determining remuneration payable to Non-Executive Directors, the Company shall consider, inter alia, the following criteria, along with such other factors as may be deemed relevant by the Nomination and Remuneration Committee and/or the Board:

- a) responsibilities and obligations arising from Board and Committee membership;
- b) attendance, participation and effective contribution in Board and Committee meetings;
- c) time devoted towards understanding the Company’s business, industry and regulatory environment;
- d) contribution towards strategic guidance, governance oversight, financial review, risk management and stakeholder protection;

- e) discharge of fiduciary duties and adherence to duties of directors as prescribed under Section 166 of the Companies Act, 2013;
- f) fulfilment of functions and responsibilities of Independent Directors as set out in Schedule IV to the Companies Act, 2013, including safeguarding the interests of all stakeholders, particularly minority shareholders, and exercising objective independent judgment;
- g) expertise, skills, experience and professional standing brought to the Board;
- h) industry practices and peer benchmarking; and
- i) the Company's financial position, performance and overall remuneration philosophy.
- j) any other relevant factors, parameters or considerations as may be determined by the Nomination and Remuneration Committee and/or the Board from time to time, consistent with the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and the Company's governance framework.

6. COMPONENTS OF REMUNERATION

6.1 Sitting Fees

The Company may pay sitting fees to Non-Executive Directors for attending meetings of the Board of Directors, Committees of the Board, or any other meetings as may be required in connection with the discharge of their duties.

The amount of sitting fees shall:

- a) be determined by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee;
- b) be within the limits prescribed under the Companies Act, 2013 and applicable rules; and
- c) be reviewed periodically, as considered appropriate.

The Company may determine different sitting fees for Non-Executive Directors from time to time, based on their roles and responsibilities, including chairmanship or membership of Board Committees, subject to applicable legal and regulatory provisions.

6.2 Commission / Profit-linked Remuneration

At present, the Company pays sitting fees and reimbursement of expenses to its Non-Executive Directors.

The payment of commission or profit-linked remuneration to Non-Executive Directors may be considered by the Board and shareholders in future, subject to applicable legal and regulatory requirements.

The total remuneration payable to all Non-Executive Directors shall remain within the limits prescribed under applicable law.

6.3 Reimbursement of Expenses

Non-Executive Directors shall be entitled to reimbursement of actual expenses incurred for attending meetings or discharging their duties, including travel, boarding, lodging and other incidental out-of-pocket expenses.

Such reimbursement shall not be considered part of remuneration.

6.4 Stock Options / Equity-linked Benefits

Independent Directors shall not be entitled to any stock options, in accordance with applicable law.

Any grant of stock options or equity-linked benefits to other Non-Executive Directors, if permissible under applicable law, shall be subject to necessary approvals and compliance with applicable regulations.

6.5 No Employee Benefits

Non-Executive Directors shall not be entitled to bonus, provident fund, gratuity, leave encashment, retirement benefits, or other employee-related benefits, except as may be specifically permitted under applicable law.

7. APPROVAL MECHANISM

The Nomination and Remuneration Committee shall review and recommend the remuneration payable to Non-Executive Directors.

The Board shall approve such remuneration based on the recommendation of the Committee, subject to shareholder approval, wherever required.

8. DISCLOSURES

The Company shall make appropriate disclosures regarding remuneration paid to Non-Executive Directors in its Annual Report, Corporate Governance Report and on the Company's website, as required under applicable laws and regulations.

Any pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company shall also be disclosed in accordance with applicable law.

9. REVIEW AND AMENDMENT

The Nomination and Remuneration Committee and the Board may review this Policy from time to time and make such amendments as may be necessary to ensure compliance with applicable laws and regulatory requirements.

10. INTERPRETATION

In case of any inconsistency between this Policy and applicable laws, the provisions of the applicable laws shall prevail. Any subsequent amendment or modification in the applicable laws shall automatically apply to this Policy.