

# REMUNERATION POLICY

FOR THE MEMBERS OF BOARD AND  
EXECUTIVE MANAGEMENT

## **1. Preamble**

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “Executives”). The expression “Senior Management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

1.2 The policy will be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

## **2. Aims & Objectives**

2.1 The aims and objectives of this remuneration policy may be summarized as follows:

2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other Executive Level.

2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.3 The remuneration policy will ensure that the interests of Board Members & Senior Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

## **3. Principles of Remuneration**

3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company’s vision and strategy.

3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 Internal equity: The Company shall remunerate the Board Members, KMP and Senior Management in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

3.6 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

## **4. Nomination and Remuneration Committee**

4.1 The Remuneration Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

4.2 The Committee shall be responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, etc for Directors, KMP's and Senior Management of the Company and reviewing it on a periodic basis;

4.2.2 Formulate the criteria for determining required qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Executives.

4.2.3 Identifying persons who are qualified to become Directors, KMP's, who may be appointed in Senior Management in accordance with the criteria laid down in this policy, recommend it to the Board for their appointment and removal and carry out evaluation of every Director's performance.

### **4.3 The Committee shall:**

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no Director or Executive is involved in any decisions as to their own remuneration.

## **5 Procedure for selection and appointment of the Board Members**

### **5.1 Board membership criteria**

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels which will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

### **5.2 Selection of Board Members**

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is

appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

## **6 Procedure for selection and appointment of Executives other than Board Members**

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel;

6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company and on the human resources market;

6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

6.5 Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

## **7 Compensation Structure**

### **7.1 Remuneration to Non-Executive Directors:**

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission.

The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

## **7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs)**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013.

## **8 Approval and publication**

8.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

8.2 This policy shall be hosted on the Company's website.

8.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013

## **9 Supplementary provisions**

9.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

9.2 Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.

9.3 The right to interpret this Policy vests with the Board of Directors of the Company.