

## **POLICIES ON DIRECTORS' APPOINTMENT & REMUNERATION AND REMUNERATION POLICY**

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

1. The Policy lays down criteria for determining qualifications, skills, experience, expertise, competencies, integrity, positive attributes and independence for appointment of Executive and Non-Executive Directors and to determine their remuneration.
2. This Policy also endeavours to ensure Board diversity in terms of gender, thought process, experience, knowledge and perspective and strives to evolve succession plans for the Board.
3. The Policy strives to devise remuneration levels for the Directors taking into account individual performance and strives to attract and retain talent relevant to the Company.
4. The Policy also lays down criteria for evaluation of performance of Directors.
5. A Whole-Time Director shall not hold office as Whole-Time Director in any other Company except in the Company's subsidiary. However, Managing Director may hold office of Managing Director in one more Company with specific approval of the Nomination and Remuneration Committee and the Board, subject to the provisions of the Companies Act, 2013 and rules made thereunder.
6. A Managing Director/Whole-Time Director shall be appointed for a tenure of up to five years.

An Independent Director shall be appointed for a term not exceeding five years and may be reappointed for the second term of up to five years, subject to the provisions of the Companies Act, 2013 and rules made thereunder.

7. The remuneration, including annual performance bonus of Managing Director/Joint Managing Director, shall be determined and recommended by the Nomination and Remuneration Committee to the Board and shall be subject to the approval of the Board, subject to the overall remuneration approved by a Resolution of the Members.
8. The minimum remuneration of Managing Director/Whole-Time Director in case of loss or inadequacy of profit in a particular year shall be in accordance with the provisions of the Companies Act, 2013 and rules

made thereunder. The Company shall, however in such a case, undertake reasonable efforts and follow the process to obtain suitable approval as may be required for payment of such higher remuneration to the Director as has been agreed to with the Directors.

9. The Non-Executive Directors shall be paid sitting fees for attending meetings of the Board and Committees of Directors. The amount of sitting fees shall be determined by the Board from time-to-time within and subject to the limits stipulated by the Companies Act, 2013 and rules made thereunder.
10. The Non-Executive Directors shall be paid commission, not exceeding in the aggregate 1% of the net profits of the Company, computed in the manner laid down in the Companies Act, 2013 and rules thereunder. Individual Director shall be paid commission within the overall limit of 1% of net profits as the Board may determine taking into account the number of Meetings attended, contribution in deliberations in meetings and such other criteria and factors as the Board may deem fit.
11. The Company shall bear costs and expenses incurred by the Directors for attending meetings of the Board/Committees of Directors and for attending to the Company's official business.

## **REMUNERATION POLICY FOR THE MANAGEMENT AND OTHER EMPLOYEES**

### **MANAGEMENT EMPLOYEES**

1. In determining the remuneration of the Senior Management Employees (i.e. KMPs, HODs and Management Cadre Employees) the Company ensures/considers the following:
  - (i) The relationship of remuneration and performance benchmark is clear.
  - (ii) The balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.
  - (iii) The remuneration is divided into two components viz. fixed component comprising of salaries, perquisites and retirement benefits and variable component comprising of performance bonus/incentive etc.
  - (iv) The remuneration including annual increment and performance incentive is based on the criticality of the roles and

responsibilities, the Company's performance, individuals' performance vis-s-vis KRAs, industry benchmark and current compensation trends in the market.

2. The Company carries out Individual Performance Review based on the Standard Appraisal Matrix and takes into account the Appraisal Score Card and other factors mentioned herein-above while fixing the annual increment and performance incentives.

### **OTHER EMPLOYEES**

Remuneration of employees in staff/worker categories is based on periodical agreements/understandings reached through negotiations with Trade Union/Employees' Representatives. The increase in their remuneration depends upon such agreements/understandings.