

**REMUNERATION POLICY**

**VERSION NO.\*: 2**

**APPROVAL DATE: 30 MAY, 2018**

**EFFECTIVE DATE: 30 MAY, 2018**

\*Please refer to Annexure I for summary of previous version changes

Pursuant to Section 178 of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the Rule 6 of the Companies (Meeting of the Board and its powers) Rules, 2014 and any other applicable provisions under the Act and Rules thereunder, the Nomination and Compensation Committee of the Board of the Company has formulated a remuneration policy to decide the criteria for the appointment of and remuneration of the Directors, key managerial personnel and other employees.

Produced here below is the “Remuneration Policy” of the Company in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The Policy also aims to attract, motivate and retain manpower in a competitive and global markets scenario. For the purpose of this policy and terms and reference of Nomination and Compensation Committee Senior Management Personnel include Key Managerial Personnel and Senior Executives.

**The objective of the policy is:**

1. To ensure that Directors, Senior Management Personnel of high calibre are attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.
3. To evaluate the performance of the Directors and Senior Management Personnel.
4. To recommend to the Board on Remuneration payable to the Directors and Senior Management Personnel.
5. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors and Senior Management Personnel.

**NOMINATION AND COMPENSATION COMMITTEE**

The Company has constituted the Nomination and Compensation Committee (hereinafter referred as “the Committee”) as per the provision of Section 178 of the said Act. The Committee can be reconstituted form time to time as may be deemed fit and appropriate by the Board of Directors.

The Committee shall, while formulating the policy ensure that:

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Senior Management Personnel of the quality required to run the Company efficiently;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. Remuneration to Directors and Senior Management Personnel involves a balance between fixed and variable pay, reflecting short and long term performance objectives appropriate to the company and its goals.
4. The Committee shall convene at such regular intervals as may be required.
5. Necessary disclosures of this policy shall be made in the Annual Report of the Company in terms of Section 178 of the Companies Act, 2013.

**CRITERIA FOR BOARD MEMBERSHIP AND BOARD DIVERSITY:**

1. Directors must have relevant experience in Finance/ Credit/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations/Human Resources or other disciplines relevant to Company's business.
2. The Director should possess the highest personal and professional ethics, integrity and values.
3. The Director shall not have any material interest in the Company or any of its officers, other than as a director or shareholder of the Company. Wherever required the Director should disclose the nature of his interest, if there are reasons to believe there is or a likelihood of a conflict of interest.

**REMUNERATION CRITERIA:**

This is determined is largely based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees.

**1. For Whole Time Directors/ Managing Director/ Executive Directors:**

- a. The Nomination and Remuneration Committee shall recommend the remuneration to the Board within the maximum limits as set under the Companies Act, 2013, Schedule V and Rules made thereunder and subject to the approval of the shareholders as and where applicable.
- b. The Company shall pay the remuneration by way of salary, perquisites and allowances (both fixed and variable component) to its Whole-time/Managing Director and Senior Management Personnel.
- c. Perquisites and retirement benefits are paid according to the Company policy, and applicable laws and regulations as applicable to Senior Management Personnel.

**2. For Independent, Non-Executive Directors:**

- a. An Independent, Non-Executive Director shall receive sitting fees for attending meetings of the Board and Board Committees. Sitting fees paid to the Independent, Non-Executive directors is determined periodically & reviewed based on industry benchmarks. Independent, Non-Executive Directors are appointed for their professional expertise and skills in their individual capacity as independent professionals.
- b. An Independent Director, Non-Executive Director may also receive profit related commission.
- c. An Independent, Non-Executive Director may also be remunerated by the way of reimbursement of expenses for participation in the Board and other meetings.

**3. For the Senior Management Personnel and Other Employees:**

- a. The remuneration of Senior Management Personnel and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.

- b. They are also entitled to customary non-monetary benefits on a case to case to basis.
- c. The components of remuneration vary for different grades and are governed by industry benchmarks, qualification, experience and performance of each employee.

**POLICY REVIEW & FUTURE AMENDMENT**

This policy shall remain in force unless modified by the Nomination and Compensation committee and approved by the Board.

**Annexure – I: Version Control Table**

<b>Version No.</b>	<b>Version Approval Date</b>	<b>Version Effective Date</b>	<b>Version Change Details</b>
1.0			First version
2.0	30-May-2018	30-May-2018	<ul style="list-style-type: none"> <li>• Removing approval of shareholders required for payment of remuneration to independent directors and non-executive directors</li> </ul>