

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

A. Criteria for Appointment of Non-Executive Directors & Independent Directors

- a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
- b) In case of appointment of Independent Directors, the N&R committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c) The N&R committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Companies Act 2013.
- d) The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Non-Executive Director.
 - i) Qualification, experience and expertise of the Non-Executive Directors in their respective fields;
 - ii) Personal, professional or business standing;
 - iii) Diversity of the Board.
- e) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration of Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, profit related commission as may be approved by the members and reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014;

- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

B. Criteria for Appointment of Executive Directors

For the purpose of appointment of any Executive Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee shall also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for Executive Director

- i. At the time of appointment or re-appointment, the Executive Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Executive Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The Remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Executive Director maybe broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure/consider the following:
 - a. The relationship of remuneration and performance benchmarks is clear;
 - b. Balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. Responsibility required to be shouldered by the Executive Director, the industry benchmarks and the current trends;
 - d. The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

C. Remuneration Policy for Key Managerial Personnel

In determining the remuneration of the Key Managerial Personnel, the N&R Committee shall ensure / consider 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 maybe divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv) The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs/ KPIs, industry benchmark and current compensation trend in the market.
- v) The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein above, whilst recommending the annual increment and performance incentive to N&R Committee for its review and approval.

D. Remuneration Policy for Other Employees

In determining the remuneration of the other employees the Company, the Reporting Manager shall ensure / consider 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 maybe divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv) The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs/ KPIs, industry benchmark and current compensation trend in the market.
 - v) The Reporting Manager will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein above, whilst recommending the annual increment and performance incentive.
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