

**APPOINTMENT
AND
REMUNERATION POLICY**

PREAMBLE

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, as amended from time to time, the Board of Directors of a listed company shall constitute the Nomination and Remuneration Committee consisting ("NRC") of three or more non-executive directors out of which not less than one-half shall be independent directors. The Company has already constituted the Committee. Further, the Committee is required to formulate a policy for determining qualifications, positive attributes and independence of a Director and a policy in relation to remuneration of Directors, Key Managerial Personnel and other employees.

APPLICABILITY

This policy is applicable to:

1. Directors (Executive, Non-Executive and Independent)
2. Key Managerial Personnel (KMP)
3. Senior Management Personnel
4. Other Employees

Criteria/Policy for appointment of Directors and Senior Management and their remuneration

a. Criteria of appointment of Director

Qualification & Criteria

The Directors shall meet the criteria for qualification, experience and independence (in case of Independent Directors), as laid down by the NRC.

The proposed appointee shall also fulfill the following requirements:

1. Shall possess a director's identification number;
2. Shall not be disqualified under the Companies Act, 2013;
3. Shall provide his/her written consent to act as a Director;
4. Shall endeavour to attend all Board meetings and wherever he/she is appointed as a Board committee ("Committee") member, the Committee meetings;
5. Shall abide by the Code of Conduct established by the Company for directors and senior management personnel;
6. Shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his/her shareholding at the time of appointment and the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
7. Shall meet the requirements of the Companies Act, 2013 and Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors, in the case of appointment of Independent Directors;
8. Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

The NRC shall evaluate each individual with the objective of having a Board that best enables the success of the Company's business.

Vacation of office of Director

The office of Director shall be deemed to be vacated as per the provisions of the Companies Act, 2013.

b. Criteria of appointment of Senior Management

The following criteria are adopted for appointment of the Senior Management:

1. There has to be a clear vacancy / requirement for the job for which the candidate (internal / external) is considered. The position should be cleared by the CPO & Managing Director.
2. The job description / responsibilities/ reporting relationships must be clearly defined.
3. The candidate being considered must be a known functional expert in the relevant field of work.
4. The Senior Management candidate shall be interviewed by CPO, MD and by the panel decided by CPO & MD.
5. The appointment of the final shortlisted candidate must also be approved by the Departmental Heads/CPO & MD.

Senior Management Personnel shall abide by the Code of Conduct established by the Company.

The NRC shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

c. Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

1. Qualification for appointment of directors (including Independent Director)

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
- As per the applicable provisions of Companies Act 2013, Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The NRC shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

2. Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- To exercise his/her responsibilities in a bona-fide manner in the interest of the Company.
- To assist the Company in implementing the best corporate governance practices.
- To maintain confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Independence of Independent Directors-

An Independent director should meet the requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors.

d. Remuneration Policy

1. Key principles of the Policy

While designing compensation for Directors, Key Managerial Personnel and Senior Management, the following set of principles act as guiding factors:

- Aligning key executive and board remuneration with the long term interests of the Company and its shareholders;
- Minimize complexity and ensure transparency;
- Link compensation to long term strategy and annual business performance of the Company.
- Promotes a culture of meritocracy and is linked to key performance and business drivers.
- Reflective of line expertise, market competitiveness so as to attract the best talent.
- In evaluating the suitability of individual Board members, the Committee will take into account multiple factors, including their general understanding of the business, education, professional background, personal achievements, etc. few important criteria

against which each prospective candidate will also be evaluated are personal and professional ethics, integrity and values.

- Conduct a review of remuneration on a periodic basis to ensure directors of the Company are compensated effectively in a manner consistent with the business strategy of the Company, and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.

2. Remuneration Policy for Executive Directors

- The remuneration paid to Executive Directors is recommended by the NRC and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.
- At the Board meeting, only the Non-Executive and Independent Directors participate in the item approving the remuneration paid to the Executive Directors. The remuneration is arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the sections 178 and 197 of the Act, read with schedule V to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Board on the recommendation of the NRC shall also review and approve the remuneration payable to the Key Managerial Personnel (KMP) of the Company.
- The remuneration structure to the Executive Directors and the KMP shall interalia include the following components as:-
 - basic pay,
 - perquisite & allowances,
 - stock options,
 - annual performance bonus, and
 - retiral benefits
- In determining the remuneration (including the fixed increment and performance bonus) the NRC shall ensure/ consider the following:
 - the relationship of remuneration and performance benchmarks is clear;
 - balance between fixed and incentive pay reflecting short and long term performance objectives is appropriate as per the working of the Company and its goals;
 - responsibility required to be shouldered by the Executive Director, the industry benchmarks and the current trends;
 - Company's performance vis-à-vis the annual budget achievement and individual performance vis-a-vis the KRAs / KPIs.

3. Remuneration policy for Non- Executive & Independent Directors

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

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by them, 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;
- A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committees subject to approval from the shareholders.
- The total commission payable to the Non-Executive Directors shall not exceed 1% of the net profit of the Company;
- The commission shall be payable on prorata basis to those Directors who occupy office for a part of the year.
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company.

4. Remuneration policy for Key Managerial Personnel, Senior Management & Other Employees

- The Key Managerial Personnel, senior management & other employees shall be paid remuneration basis their employment agreement with the Company.
- Performance of Key Managerial Personnel, senior management & other employees shall be evaluated periodically against the defined & agreed Key Result Areas aligned to business & organization objectives transparently.
- The Remuneration for Key Managerial Personnel, senior management & other employees shall include fixed and performance bonus/ variable, balancing the short and long term performance objectives, scope of the role; appropriate as per the working of the Company and its goals.
- Schemes detailing the performance parameters & metrics for Key Managerial Personnel, senior management & other employees to earn their bonus/ variable shall be documented & made available for them to read & comprehend.
- Any changes in the remuneration value or structure for Key Managerial Personnel, senior management & other employees shall be in accordance to applicable employment law & will be communicated in writing to them.