

## **Remuneration Policy**

### **Purpose**

The remuneration policy defines the compensation or remuneration philosophy of the organisation. It specifies about the drivers of the philosophy, where the Company positions itself in the overall industry/market related percentile, who are the comparators for the purpose of remuneration.

### **Scope**

It covers the executive directors and management level employees of the Company comprising of senior management, middle management and junior management.

### **Compensation Philosophy**

The Company's compensation philosophy is driven by:

- Business performance
- Ability to pay
- Market/industry positioning vis-a-vis our relevant competitors

Employee compensation positioning is determined by his/her performance as assessed on the basis of the applicable performance management system, as in vogue from time to time.

### **Policy Definition**

Remuneration policy of the Company has been designed to attract, retain and motivate the employees and directors of the quality required to run the Company successfully. The remuneration is directly linked to the individual performance and is measurable on specified benchmarks as set by the Company.

The remuneration consists of fixed pay components as mentioned under:

- (i) Basic salary;
- (ii) Fixed allowances & perquisites;
- (iii) Retiral benefits.

The Company's performance management system differentiates the executives under four categories and they are accordingly rated based on the agreed key result areas. The reward is linked to the performance rating.

The review of the compensation structure in line with the market is done periodically as may be required but at least once in three years. All other perquisites and benefits are reviewed at least once in three years.

## **Criteria for selection and appointment of directors**

The Nomination and Remuneration Committee is responsible for identifying, screening, recommending to the board a candidate for appointment as director. Based on the recommendation of the Committee, the Board identifies the candidate for the position of director. While identifying the candidate, inter alia the following are taken into consideration:

- a. Qualification, experience and expertise;
- b. Skills, abilities and personal contribution;
- c. Commitment to spare time to attend board/committee and other meetings as may be necessary;
- d. Diversity of perspectives brought to the existing board;
- e. Existing composition of the board.

The qualification of the candidate is scrutinised by the Committee taking into account educational degree, college/ institution, professional qualification if any, etc. In addition, there is also a criteria regarding minimum work experience and the positive attributes such as leadership quality, level of maturity, management capabilities, strategy vision, past records of misconduct, problem solving abilities, etc., on which the candidate is judicially scrutinised.

In case of an internal candidate, the senior management employee is also evaluated on the above criteria before being recommended for promotion as a director. While considering re-appointment of the directors, their performance evaluation report is taken into account.

In case of independent director, the independence, integrity, expertise, experience and interest pecuniary or otherwise as per the statutory provisions are also assessed before appointment.