

CEIGALL INDIA LIMITED

1.B. REMUNERATION POLICY

1. INTRODUCTION

The Company regards its employees across organisational hierarchy as its most valuable and strategic resource. It seeks to ensure a high performance work culture through a fair compensation structure, which is linked to Company and individual performance. At Ceigall India Limited (“**Ceigall**”/“**Company**”), the compensation is linked to the nature of job, skill and knowledge required to perform the given job in order to achieve Company’s overall directive.

In terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations / **LODR**), as amended from time to time, the Compensation and Nomination & Remuneration Committee (“**the Committee**”) shall recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees and accordingly this Policy has been formulated by the Committee of the Company and approved by the Board of Directors.

2. OBJECTIVES OF REMUNERATION POLICY

The remuneration for Directors, Senior Management, Key Managerial Personnel (KMP) and other employees of the Company is framed with the following broad objectives:

- a. Remuneration is reasonable and sufficient to attract, retain and motivate Directors;
- b. Remuneration is reasonable and sufficient to motivate Senior Management, KMP and other employees and to stimulate excellence in their performance;
- c. Remuneration is linked to performance;
- d. Remuneration balances the Fixed and Variable Pay and reflects short and long term performance objectives.

3. APPLICABILITY

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Senior Management
- Key Managerial Personnel
- Other Employees

4. KEY DEFINITIONS

- “Board” means the Board of Directors of the Company.
- “Directors” mean Directors of the Company.
- “Committee” means Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board.
- “Company” means Ceigall India Limited.
- “Independent Director” means an Independent Director as defined under applicable provisions of the Act and Listing Regulations.

- “Key Managerial Personnel (KMP)” means-
 - a. the Chief Executive Officer or the Managing Director or the Manager
 - b. the Company Secretary
 - c. the Whole-time Director
 - d. the Chief Financial Officer
 - e. such other officer, not more than one level below the Directors who is in whole time employment, designated as Key Managerial Personnel by the Board; and
 - f. such other officer as may be prescribed under the applicable statutory provisions / regulations.
- “Remuneration” means remuneration as defined under the Companies Act, 2013 including any amendment/s thereof.
- “Senior Management” for the purpose of this Policy shall mean Officers / Personnel of the Company who are Members of its Core Management Team, apart from the Board of Directors and shall comprise all Members of Management one level below the Chief Executive Officer and shall specifically include the Functional Heads, the Company Secretary and the Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or the Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. REMUNERATION COMPONENTS

Remuneration includes fixed and variable pay and retirement benefits, wherever applicable. The compensation is linked to factors such as Company’s performance, Department / Branch / Individual performance and such other factors considered relevant from time to time. Compensation system provides for evaluation and revision of remuneration each year or otherwise which depends upon individual performance and Company’s overall performance.

Eligible employees including Whole-time Directors, Senior Management and KMPs of the Company, as permitted by applicable laws, may be granted stock options.

6. OTHER FEATURES OF THE POLICY

A. General:

a. The remuneration / compensation / commission etc. to the Whole-time Director and Managing Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc. to the Directors shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.

b. The remuneration and commission to be paid to the Managing Director / Whole-time Director / Executive Director / Non-Executive Director (including Independent Directors) shall be in accordance with the overall and individual limits as percentage / slabs / conditions laid down in the Articles of Association of the Company, the provisions of the Companies Act, 2013 and the Schedule V and other applicable Rules made thereunder as well as the Listing Regulations, all as amended from time to time. They shall not receive any remuneration from any other source,

without prior written permission of the Board and/or indulge in any conflicting activities against the interest of the Company.

c. Where any insurance is taken by the Company on behalf of its Managing Director / Whole-time Director / Executive Director / Non-Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability for bona-fide actions, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty of negligence, default, misfeasance, breach of duty or breach of trust, the premium paid on such insurance shall be treated as part of the remuneration.

B. Remuneration to Managing Director / Whole-time Director / Executive Director

a. Fixed pay:

The Managing Director / Whole-time Director / Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale (fixed) and quantum of perquisites including, employer's contribution to P.F./PF, pension scheme, superannuation, gratuity, accommodation/HRA, CCA, medical expenses, LTA, club fees, phone/Wifi, use of vehicles and assistants for business of the Company, non-compete fees, other allowances / amenities, etc. shall be decided and approved by the Board on the recommendation of the Committee, subject to applicable taxes. The remuneration paid/payable shall be subject to further approval/sby the shareholders in a general meeting and Central Government, wherever required.

b. Performance Based Remuneration:

In addition to fixed remuneration, the Company may implement a system of performance linked incentives / variable pay designed to create a strong relationship between performance and remuneration.

The Company may conduct annual performance appraisals for the Managing Director / Whole-time Director / Executive Director and the Committee shall recommend to the Board any variation in the salary within the limits approved / as may be approved by the shareholders.

c. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to its Managing Director / Whole-time Director / Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and/or approval of the shareholders and the Central Government, as may be applicable.

d. Provisions for excess remuneration: If any Managing Director / Whole-time Director / Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed or without approval required under the Companies Act, 2013, he/she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the

Company by Special resolution within two years from the date such sum becomes refundable and with the prior approval of the lenders, debenture holders, creditors, etc. as may be required.

C. Remuneration to Non- Executive / Independent Directors

a. Remuneration / Commission:

The remuneration and commission shall be in accordance with the overall and individual limits of percentage / slabs and the conditions mentioned in the Articles of Association of the Company, the Listing Regulations and the Companies Act, 2013 and the Rules made thereunder.

b. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount approved by the Board of Directors subject to the provisions of the Companies Act, 2013.

c. Commission:

Commission may be paid within the limit approved by shareholders, subject to the limits computed as per the applicable provisions of the Companies Act, 2013.

d. Stock Options:

Independent Directors, Promoter Directors and Nominee Directors shall not be entitled to any stock option of the Company.

D. Remuneration to KMP, Senior Management and other employees

a. The KMP, Senior Management and other employees of the Company shall be paid remuneration as per the Company's policies and/or as may be recommended by the Committee.

b. The compensation for KMP, Senior Management and other employees will be governed by policies implemented by the Company from time to time.

7. AMENDMENTS TO THE POLICY

The Committee is responsible for monitoring, implementation and review of this policy. The Committee shall provide recommendations as and when it deems necessary, to the Board as to how to effectively structure and make recommendation as and when required to facilitate a remuneration strategy which will meet the needs of the Company. In case of any amendments / clarifications etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then this policy shall stand amended accordingly from the effective date as laid down thereunder.
