

## REMUNERATION POLICY OF MANAKSIA LIMITED

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Framed under Section 178 (3) of the Companies Act, 2013 & Regulation 19 Read with Schedule II of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amended pursuant to Enactment of SEBI LODR (Amendment) Regulations, 2018 and Companies (Amendment) Act, 2017

### CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them, in the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder, or SEBI LODR, as amended, from time to time.

#### I. INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as:

<b>“Applicable Law”</b>	: shall mean the Companies Act, 2013 and allied rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any other statute, law, standards, regulations or other governmental instruction as may be applicable to the Company from time to time.
<b>“Company”</b>	: refers to Manaksia Limited.
<b>“Board”</b>	refers to the Board of Directors of the Company.
<b>“Committee”</b>	; refers to Nomination & Remuneration Committee of Board of Directors of the Company
<b>“Directors”</b>	: refers to the managing director and all whole-time Directors.

**“Executives”** : refers to the Directors, key managerial personnel and senior management personnel.

**“Key Managerial Personnel” or KMP** : refers to the

- a. Managing Director, Manager, Chief Executive Officer;
- b. Chief Financial Officer;
- c. Company Secretary;
- d. Officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board of Directors of the Company;
- e. Officers as may be prescribed under Applicable Law.

**“Policy” or “this Policy”** : shall mean the contents herein including any amendments made by the Board of Directors of the Company.

**“Senior Management Personnel” or SMP** : shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.]

All terms not defined herein shall take their meaning from the Applicable Law.

## **II. EFFECTIVE DATE**

This Policy shall become effective from the date of its adoption by the Board.

## **III. SCOPE**

- a) This Policy applies to all the “Executives” of the Company.
- b) In addition, this Policy also extends to the remuneration of non-executive Directors, including principles of selection of the independent Directors of the Company.
- c) The Board of Directors has adopted this remuneration Policy with effect from 18.05.2019, on the recommendation of the Committee. This Policy shall be valid for all employment

agreements entered into after the approval of the Policy for appointment of the Executives and for changes made to existing employment agreements thereafter.

- d) In order to comply with local regulations, the Company may have remuneration policies and guidelines which shall apply in addition to this policy.

The Board of Directors of the Company may deviate from this Policy if there are explicit reasons to do so in individual case(s). Any deviations on elements of this Policy under extraordinary circumstances, when deemed necessary in the interests of the Company, shall be reasoned and recorded in the Board's minutes and shall be disclosed in the Annual Report of the year at which the said deviations takes place.

#### **IV. PURPOSE**

This Policy reflects the Company's objectives for good corporate governance as well as sustained and long-term value creation for stakeholders. This Policy will also help the Company to attain optimal Board diversity and create a basis for succession planning. In addition, it is intended to ensure that –

- a) the Company is able to attract, develop and retain high-performing and motivated Executives in a competitive international market;
- b) the Executives are offered a competitive and market aligned remuneration package, with fixed salaries being a significant remuneration component, as permissible under the Applicable Law;
- c) remuneration of the Executives are aligned with the Company's business strategies, values, key priorities and goals.

#### **V. GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT**

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Company may attract and retain competent Executives. In determining the Policy, the Committee ensures that a competitive remuneration package for all Executives is maintained and is also benchmarked with other multinational companies operating in national and global markets.

#### **VI. RESPONSIBILITIES AND POWERS OF THE COMMITTEE**

The Committee, in addition to the functions and powers as endowed by its terms of reference, would also be responsible for –

- a) preparing and recommending for the Board's decisions on issues concerning principles for remunerations (including pension and severance pay) and other terms of employment of Executives and Non-Executive Directors;

- b) reviewing and recommending to the Board regarding share and share-price related incentive programs, if any, to be decided upon by the Annual General Meeting;
- b) formulating criteria of qualifications and positive attributes to assist the Company in identifying the eligible individuals for the office of Executives;
- c) monitoring and evaluating programs for variable remuneration, if any, both ongoing and those that have ended during the year, for Executives and Non-Executive Directors;
- d) monitoring and evaluating the application of this Policy;
- e) monitoring and evaluating current remuneration structures and levels in the Company.

## **VII. PRINCIPLES FOR SELECTION OF INDEPENDENT DIRECTORS**

The nomination of the independent Directors of the Company shall be in accordance with the principles as stated hereunder and other relevant provisions of Applicable Law:

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives—
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of fifty lakhs rupees or more at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees or more, at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has or had any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company or their promoters, or directors amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii) during the two immediately preceding financial years or during the current financial year;;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

f) is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

## **VIII. OVERALL CRITERIA FOR SELECTION OF EXECUTIVES**

The assessment for Senior Management will be done on the basis of below parameters by the concerned interview panel of the Company –

a) Competencies:

- Necessary skills ( Leadership skill, communication skills, Managerial skills etc )
- Experiences & education to successfully complete the tasks.
- Positive background reference check.

b) Capabilities:

- Suitable or fit for the task or role.
- Potential for growth and the ability and willingness to take on more responsibility.
- Intelligent & fast learner, Good Leader, Organiser & Administrator, Good Analytical skills Creative & Innovative.

c) Compatibility:

- Can this person get along with colleagues, existing and potential clients and partners.
- Strong Interpersonal Skills.
- Flexible & Adaptable.

d) Commitment:

- Candidate's seriousness about working for the long term
- Vision & Aim

e) Character:

- Ethical, honest, team player

f) Culture:

- Fits with the Company's culture. (Every business has a culture or a way that people behave and interact with each other. Culture is based on certain values, expectations, policies and procedures that influence the behavior of a leader and employees. Employees who don't reflect a company's culture tend to be disruptive and difficult)
- Presentable & should be known for good social & corporate culture.

## IX. GENERAL POLICIES FOR REMUNERATION

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package.

1. **A fixed base salary** – set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.

2. **Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.

**3. Retirement benefits** – contribution to Provident Fund, superannuation, gratuity, etc as per Company Rules, subject to Applicable Law.

**4. Motivation/ Reward** – A performance appraisal to be carried out annually and promotions/ increments/ rewards are to be decided by Managing Director based on the appraisal and recommendation of the concerned Head of Departments, where applicable.

**5. Severance payments** – in accordance with terms of employment, and applicable statutory requirements, if any.

Any remuneration payable to the Executives of the Company shall abide by the following norms –

- i. The base salary shall be competitive and based on the individual Executive's key responsibilities and performance;
- ii. Base salaries would be based on a function-related salary system and be in line with the market developments shown by the benchmark research and additional market studies. The annual review date for the base salary would be April 1 or any other date as may be determined by the Committee from time to time, subject to the Company's Policy;
- iii. The Executives will be entitled to customary non-monetary benefits such as Company cars, phone and such other fixed entitled benefits;
- iv. Pension contributions shall be made in accordance with applicable laws and employment agreements;
- v. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
- vi. A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
- vii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
- viii. A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary

company of the Company, subject to its disclosure by the Company in the Board's report.

- ix. Pension contributions shall be made in accordance with applicable laws and employment agreements;
  - x. The Committee has decided to adopt a share-based incentive program for the Executives;
  - xi. The Executives resident outside India or resident in India but having a material connection to or having been resident in a country other than India, may be offered pension benefits that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably defined-contribution plans;
  - xii. A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;
  - xiii. If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;
  - xiv. Subject to the provisions under Applicable Law, a Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company shall not be disqualified from receiving any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report;
  - xv. The Company shall place the Policy on its website.
  - xvi. The Company shall make necessary disclosure of remuneration of the Executives and the salient features of the Policy along with the web link of the Policy in its Annual Report as may be required under Applicable Law.
- A. Any fee/ remuneration payable to the non-executive Directors of the Company shall abide by the following norms –
- i. If any such Director draws or receives, directly or indirectly, by way of fee/ remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it;



- ii. Such Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law.
- iii. An independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission, as may be permissible under the Applicable law.

#### **X. NOTICE OF TERMINATION AND SEVERANCE PAY POLICY**

The notice of Termination and Severance pay shall be as per the terms of appointment as mentioned in the Employment Agreement or Letter of Appointment.

#### **XI. DISCLOSURE AND DISSEMINATION**

- i. The Policy shall be disclosed in the Board's report to shareholders of the Company.
- ii. The annual report of the Company would specify the details of remuneration paid to Directors.
- iii. The Company is required to publish its criteria of making payments to non-executive Directors in its annual report. Alternatively, this may also be put up on the Company's website and reference be drawn in the annual report.

#### **Notes:**

1. Based on the recommendation of the Nomination & Remuneration Committee at its meeting held on 11<sup>th</sup> November, 2014, the policy was approved and adopted by the Board of Directors of the Company at its meeting held on 11<sup>th</sup> November, 2014.

2. The Policy was amended in order to align the same with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by the Nomination & Remuneration Committee at its meeting held on 11<sup>th</sup> February, 2016 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 11<sup>th</sup> February, 2016 approved the amended policy.

3. The Policy was further amended in order to align the same with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018], by the Nomination & Remuneration Committee at its meeting held on 18<sup>th</sup> May, 2019 and recommended to the Board of Directors for their approval. The Board of Directors of the Company at its meeting held on 18<sup>th</sup> May, 2019 approved the amended policy.

