

EQUITAS HOLDINGS LIMITED

REMUNERATION POLICY

1. Philosophy

As a philosophy, the Company believes that while appropriate remuneration and compensation should be paid to attract and retain the right quality of talent, yet compensation should not become the single most over-riding criteria of relationship between the staff and the Company. Accordingly, the Company shall strive at all times to create an atmosphere of trust, empowerment and performance based reward which will draw and retain right talent in the organisation. The company should be positioned as a great place to work in and the main motivation for staff, specially the senior management staff should be the adrenalin of high performance and aligned values and ethics based work culture. However, the Company does understand that financial compensations are also important and accordingly compensation should be structured such that it is reasonable compared to peers but may not be the highest compared to similar organizations.

2. The Nomination & Remuneration Committee

The Nomination, Remuneration & Governance Committee (“Committee”) is responsible for formulating and making necessary amendments to the Remuneration Policy for the Directors, Key Managerial Persons (KMP) and Senior Executives of the Company from time to time.

3. Remuneration for Non-Executive Directors

The remuneration to the Non-Executive/Independent Directors shall be fixed by the Board, at a level subject to shareholders’ approval not exceeding 1% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013. The Non-Executive/Independent Directors who are on the Board of the Company as well as in the Subsidiary Company (ies) shall be remunerated either by the Company or Subsidiary Company (ies).

The sitting fee payable to the NEDs for attending the Board and Committee Meetings is fixed from time to time by the Board, subject to the statutory ceiling. The fee is reviewed periodically and aligned to comparable best in class companies.

The Non-Executive Directors including Independent Directors are reimbursed travel (excluding foreign travel) and other out of pocket expenses incurred by them for the purpose of the Company.

4. Remuneration to Managing Director (MD)/Chief Executive Officer (CEO):

The remuneration payable to Managing Director / Chief Executive Officer of the Company, would from time to time, be decided by the Board and subject to shareholders’ approval as may be required under the Companies Act, 2013. The Company would conduct inter-firm analysis of compensation benchmarks periodically and the compensation of the MD/CEO would be based on the same. In line with the overall philosophy of the organisation, the compensation would be structured to be generally around the 70% range of the industry benchmarks. The compensation may also include variable component. The MD/CEO may also be offered options under the Company’s Employees Stock Option Schemes as may be in force from time to time.

5. Remuneration for Key Executives (Senior Management Group)

“Senior Management Group” shall mean those executives reporting directly to MD/ED/CEO. The Company’s principal focus continues to be the attraction and retention of high-calibre executives, aligning them to the mission and value system of the organisation and engage with them to develop and implement the Company's strategy so as to enhance long-term value. A consistent approach is used in determining the remuneration of key operational and functional heads within the Company (the 'Senior Management Group'). Compensation including fixed component and variable component for the Senior Management Group are therefore set by reference to local market practice in India and are in alignment with the Company's strategy.

Senior Management Group would also be entitled to employee stock options which would be individually determined based on criticality of the function, capabilities of the individual concerned and overall compensation of such persons in similar peer organisations.

6. Remuneration for other Employees.

Remuneration of middle and lower level employees of the Company consists of both fixed and variable pay which is reviewed on an annual basis.

A formal annual performance evaluation process is applicable to all employees, including Key Executives. Increase in the remuneration of employees is effected based on an annual review taking into account performance of the employee and the performance of the Company also. Further, all the employees shall be eligible to participate in the Employees Stock Option Scheme.

7. Alignment of Remunerations

The Committee strives to ensure that the remunerations of the Directors, Senior Executives, Middle and lower level employees of the Company are reasonably aligned and the difference between the highest and lowest paid employees in the Company are kept at reasonable multiples. Such reasonable multiples would be determined from time to time based on industry trends and developments around the world on fair compensation practices.

8. Term of Appointment

Term of Managing Director and other Executive Directors is generally for a period of 5 years and renewed for similar periods from time to time. However, the Board reserves the right to increase/decrease the period as it may deem fit. Whereas, term of the other employees, generally is upto the age of superannuation.

9. Post-Retirement Benefits

All the employees are entitled for retirement benefits such as provident fund and gratuity.

10. Severance Arrangements

Contracts of employment with Executive Directors and regular employees, provide for compensation of upto 3 months' pay cover advance notice of similar period.

11. Review

This Policy shall be reviewed by the Nomination, Remuneration & Governance Committee from time to time.