



GREAVES COTTON LIMITED

REMUNERATION POLICY

(Effective from 4th May, 2021 as approved by the Board of Directors on 4th May, 2021)

PREAMBLE AND TITLE

This Policy shall be called the Remuneration Policy (the “Policy”).

The Board of Directors (the “Board”) at their meeting held on 4th May, 2021 has approved and adopted this revised Policy, on the recommendation of the Nomination and Remuneration Committee (“NRC”), in compliance with the requirements under the provisions of the Companies Act, 2013 and rules made thereunder (“the “Act”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended from time to time.

OBJECTIVE

This Policy is intended to achieve the following objectives:

- a) To provide framework for remuneration of the Directors, Key Managerial Personnel (“KMP”) and Senior Management Personnel and align with the Company’s business strategies, values, key priorities and goals.
- b) To provide for rewards linked directly to the effort, performance, dedication and achievement of Company’s targets by the employees.

SCOPE

This Policy does not cover temporary or contractual employees, trainees, apprentices, consultants engaged on a retainer basis or otherwise and casual labour.

DEFINITIONS

- a) “**Applicable Law**” includes any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.
- b) “**Company**” means Greaves Cotton Limited.
- c) “**Employee**” means any person who is in the permanent employment of the Company.
- d) “**Senior Management Personnel**” means officers/personnel of the Company who are members of management one level below the chief executive officer / managing director / whole time director / manager and shall specifically include chief financial officer and company secretary (except administrative support staff / executive assistants), including the Functional Heads.

Words and expressions not defined in this policy shall have the same meaning as contained in the Act and the Listing Regulations.

FOR BOARD MEMBERS

- a) The overall limits of remuneration of the board members including executive board members (i.e.) managing director, whole-time director, executive directors etc.) are governed by the provisions of section 197 of the Act read with the Rules and Schedules made thereunder and shall be approved by the shareholders of the Company.
- b) Within the overall limit approved by the shareholders, on the recommendation of the NRC, the Board shall determine the remuneration. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.
- c) While determining the remuneration to Directors, KMP, Senior Management Personnel and other employees, the following shall be ensured:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP, senior management and other employees of the quality required to run the Company successfully;
 - Relationship of remuneration to performance is clear and meets appropriate benchmarks and
 - Remuneration to directors, KMP, senior management and other employees involves a balance of fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTOR

The shareholders shall approve maximum permissible amount which can be paid to the Managing Director/Whole-time Director. Within the overall limits approved by the shareholders, on the recommendation of the Nomination and Remuneration Committee, the Board shall have the authority to revise the remuneration from time to time.

The Managing Director / Whole-time Director (other than promoters) shall also be eligible for the grant of stock options, under the applicable Employee Stock Option Scheme of the Company, as may be decided by the Nomination and Remuneration Committee from time to time.

REMUNERATION TO NON-EXECUTIVE DIRECTORS

Pursuant to the provisions of section 197 of the Act and the shareholders' approval, the Board has approved the following remuneration for Non-Executive Directors (including Independent Directors):

Non-Executive Directors shall be entitled to sitting fees for attending meetings of Board and Committee thereof. The amount of sitting fees shall be within the limits as prescribed under the Act and as approved/ revised by the Board of Directors from time to time.

The eligibility and the amount of commission to be paid to Non-Executive Directors shall be recommended by the NRC on the basis of the Directors' contribution in terms of time devoted, technical expertise provided by them as measured by:

1. Number of Meetings attended
2. Role and contribution as Chairman / Member of the Board
3. Role and contribution as Chairman / Member of the Committee
4. Additional responsibility / contribution outside the Meetings

The Non-Executive Directors shall be entitled to such commission as approved by the Board within the overall limits approved by the shareholders as prescribed under the applicable provisions of the Act.

The sitting fee shall be payable immediately after the board / board committee meeting to those directors who attend the meeting. The Commission shall be payable at the end of the financial year after approval of the annual financial statements by the Board/Shareholders.

The Independent Directors will not be entitled for grant of Stock Options.

All the Directors shall be entitled to reimbursement of reasonable expenditure incurred by him/her for attending Board/Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training programmes and in obtaining professional advice from independent advisors in furtherance of his/her duties as a director.

REMUNERATION TO KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES (NOT BEING A DIRECTOR)

The Managing Director & Group CEO shall propose the remuneration for the KMPs to the NRC. The Board shall have the final authority to approve the remuneration based on recommendation of NRC.

The remuneration including revision in remuneration of Senior Management Personnel and other employees shall be decided by the Human Resources Department in consultation with the matrix manager within the overall framework of compensation and appraisal practices of the Company and under the overall authority of the Managing Director & Group CEO.

The remuneration may include basic salary, allowances, perquisites, performance linked incentive, retirement benefits, joining / retention bonus, long-term or retention incentives, leave travel concessions, ex-gratia / one-time payments, medical benefits, housing / other loans at concessional rates, severance package or any other component / benefits.

The Key Managerial Personnel, Senior Management Personnel and other employees of the Company (not being a Director) shall also be eligible for grant of stock options, wherever deemed fit, under the applicable Employee Stock Option Scheme of the Company, as may be decided by the NRC from time to time.

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

All directors and officers (including Key Managerial Personnel and Senior Management Personnel) of the Company would be covered by the requisite Directors and Officers Liability Insurance Policy.

ADMINISTRATION, REVIEW AND AMENDMENT OF THE POLICY

The NRC shall monitor and periodically review the Policy and recommend the necessary changes to the Board for its approval.

The Compliance Officer of the Company is authorised to amend the policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs or the Securities and Exchange Board of India or any other regulatory authority. The amended policy shall be placed before the Board for noting and ratification.

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.