



REMUNERATION POLICY

FOR THE MEMBERS OF THE BOARD AND EXECUTIVE MANAGEMENT

VINDHYA TELELINKS LIMITED

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VINDHYA TELELINKS LIMITED

REMUNERATION POLICY

TITLE

This Policy shall be called Remuneration Policy.

COMMENCEMENT

The Policy shall come into effect from 16th May, 2019.

1. PREAMBLE:

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management of the Company (collectively referred to as “Executives”). The expression KMP shall have the same meaning as defined under the Companies Act, 2013, “Senior Management” means officers/personnel of the Company who are members of its core management team excluding Board of Directors and comprising all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager, and shall also include Company Secretary and Chief Financial Officer. For the sake of clarity, one level below Chief Executive officer/Managing Director shall mean the Senior Vice President and any other officer, if any appointed above this level which shall include Plant Head for each operating unit. if the same is different from Chief Technical Officer .
- 1.2 The Nomination and Remuneration Committee constituted by the Board of Directors of the Company operates pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations ,2015 (hereinafter referred to as “Listing Regulations”). The Committee has been vested with all the powers necessary to effectively discharge its responsibility. The Nomination and Remuneration Committee recommends this Policy to the Board for the payment of remuneration to the Executives of the Company .

2. AIMS & OBJECTIVES:

- 2.1 The remuneration policy aims to enable the Company to attract, retain and motivate high calibre members for the Board and Executives. The remuneration policy, therefore, is market-led and takes into account the competitive circumstances of each of the business of the Company so as to attract and retain quality talent and leverage performance significantly.
- 2.2 The remuneration policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant corporate regulations in India.

- 2.3 The remuneration policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- 2.4 The remuneration policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/special allowance/promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. PRINCIPLES OF REMUNERATION:

3.1 Support for Objectives:

Remuneration, reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.

3.2 Transparency:

The process of fixation of remuneration shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 Internal Equity:

The Company shall remunerate the Executives in terms of their roles and responsibilities within the Company. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

3.4 External Equity:

The Company shall strive to pay an equitable remuneration, capable of attracting and retaining personnel of relevance and expertise. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.

3.5 Flexibility:

Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation(s).

3.6 Performance-Driven Remuneration:

The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.

3.7 Affordability and Sustainability:

The Company shall ensure that remuneration is affordable on a sustainable basis.

4. REMUNERATION/COMPENSATION TO NON-EXECUTIVE DIRECTORS:

Non Executive Directors are paid remuneration by way of Sitting Fees and reimbursement of expenses for participation in the Meeting of the Board of Directors of the Company or any duly constituted Committee thereof and/or such other payments/benefits (excluding stock options), subject to the governing provisions of the Companies Act, 2013 and Listing Regulations .

In addition to the above, they may also be paid Remuneration within the overall limit prescribed under the Companies Act, 2013 and rules framed thereunder subject to the approval of Board of Directors and also by shareholders in General Meeting, if so required

5. REMUNERATION/COMPENSATION TO EXECUTIVES (OTHER THAN NON-EXECUTIVE DIRECTORS):

The Committee while recommending the remuneration package of the Executives may take into consideration the followings:

- (a) employment scenario relevant to business in which the Company operates;
- (b) remuneration package prevalent in the relevant industry segment; and
- (c) remuneration package of the managerial talent of other industries comparable to the size and nature of operations of the Company.

Executives unless otherwise decided by the Committee shall receive a competitive remuneration package consisting of the following components:

5.1 Fixed Salary:

Fixed salary rewards the Executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company. Annual increment in Fixed Salary, if any, shall generally be effective from 1st April each year.

5.2 Variable Components:

In order to encourage common goals for the Executives and the shareholders of the Company and to meet the short as well as long-term goals, the Nomination and Remuneration Committee may in its discretion formulate and recommend an appropriate incentive compensation package for the Executives. Such incentive compensation package may comprise any form of variable remuneration. Performance Incentive may be given either by way of a separate payment or as a differential in the salary increment or in such other manner as considered appropriate. Accordingly, such increment need not be separately quantified.

The variable components may be linked to compliance in full or in part with the targets. These may comprise personal targets linked to the performance of the Executive in question, delivery of annual business results by the Company and/or the unit in which the Executive works for

having regard to the prevailing business environment or the occurrence of a specific event. In addition, loyalty, attitude, foresight, potential for growth, motivation, dependability, initiative and such other factors as deemed appropriate may also be taken into consideration. In case of Executives who are responsible for implementing long term strategy of the Company, a part of the variable pay may be set aside towards meeting such objectives.

5.3 Personal Benefits/Perquisites:

Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement/post retirement benefits such as provident fund, gratuity, Superannuation/Pension, encashment of accumulated leaves, etc. and/or such other benefits as per the applicable rules of the Company.

6. CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT PERSONNEL:

- 6.1 The members of the board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. or in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner. The Committee shall also examine the structure, composition and functioning of the Board and recommend changes, if necessary, to improve the Board's effectiveness.
- 6.2 Directors should possess high level of personal and professional ethics, positive attributes, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at appropriate decisions in the best interest of the Company .In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 6.3 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements.
- 6.4 Independent Directors shall be person of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company. The Nomination & Remuneration Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Company shall disclose such criteria for performance evaluation in its Annual Report. The performance evaluation of Independent Directors shall, however, be done by the entire Board of Directors (excluding the Director being evaluated). The Company shall also provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

- 6.5 The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board .
- 6.6 The candidate for the appointment as Senior Management Personnel should possess adequate qualification, positive attributes , characteristics and work experience besides high level of personal and professional ethics, integrity and values. The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.
- 6.7 For any appointment as Senior Management Personnel, the existing employees in the Company or within the Group may generally be accorded a priority. While assessing the candidature of existing employee, his/her past performance in the Company or within the Group shall be given due consideration.

7. AMENDMENTS TO THE POLICY:

The Board of directors on the recommendation of the Nomination and Remuneration Committee shall be entitled to amend this policy (including amendment or discontinuation of one or more incentive packages introduced in accordance with this Policy) in line with the governing laws/regulations and in accordance with the best-in-class industry practices with respect to Corporate Governance.

8. APPROVAL/ADOPTION OF POLICY:

This remuneration policy as framed and recommended by the Committee from time to time in line with the applicable regulations shall be recommended to the Board of Directors for its adoption.

9. The policy shall be placed on the website of the Company.

10. DISCLOSURE:

The salient features of the Policy and changes therein , if any alongwith the web address of the policy shall be disclosed in the Board's Report and the Corporate Governance Report forming part of the Annual Report of the Company in accordance with the applicable provisions of the Companies Act, 2013 and Listing Regulations as amended from time to time.