

NOMINATION AND REMUNERATION POLICY
OF
BATLIBOI LIMITED

1. COMPENSATION PHILOSOPHY

Introduction:

Pursuant to Section 178 of the Companies Act, 2013 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015 the Batliboi Limited ("Company") has a defined formal compensation philosophy for itself and its subsidiary companies. In order to build high performance culture, aligned to the Company's Vision and Goals, the Compensation Philosophy aims at providing a significant differential to superior performers and also segregating increments and performance payouts, based on the actual performance of various business verticals.

In order to align the content of the Policy with the provisions of the SEBI (LODR) Regulation, 2015 ("**Listing Regulations**"), the Board has, based on the recommendation of the Nomination and Remuneration Committee, adopted this revised Policy on 30th January, 2016.

2. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of Directors, Senior Leadership Team, Key Managerial Personnel ("KMP") and all other employees of the Company is based on the commitment to fostering a culture of leadership with trust. The Remuneration Policy is aligned to this philosophy. This Remuneration Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("**Act**"). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of law shall prevail and the Company shall abide by the applicable law. In case there are any changes in the law, the Company shall comply with the applicable amended provisions. While formulating this Remuneration Policy, the Nomination and Remuneration Committee ("**NRC**") has considered the factors laid down under Section 178(4) of the Act which are, as under:

- determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;
- appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;

- determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- Evaluation of the performance of the Board and its constituents. The key principles governing this Remuneration Policy are, as follows:

2.1 Remuneration for Independent Directors and Non- Independent Non-Executive Directors

- Independent Directors (“ID”) and Non-Independent Non-Executive Directors (“NED”) may be paid Sitting Fees (for attending the meetings of the Board and of Committees of the Board of which they may be Members) and Commission within regulatory limits.
- Within the parameters prescribed by law, the payment of Sitting Fees and Commission will be recommended by the NRC for approval of the Board.
- Overall remuneration (Sitting Fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration, the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of the size of the Company, Complexity of the sector/industry/ Company’s operations and the Company’s capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of Sitting Fees may be subject to review on a periodic basis, as required.
- The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, and returns to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.
- The NRC will recommend to the Board, the quantum of Commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent at Board and Committee meetings, individual contribution at the meetings and contributions made by directors, other than at Board and Committee meetings.
- In addition to the Sitting Fees and Commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a Director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board Committee meetings, General Meetings, court convened meetings, meetings with Shareholders / Creditors / Management, site visits, induction and training (arranged by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his /her duties as a director.

2.2 Remuneration for Managing Director (“MD”) Executive Directors (“ED”)/KMP/rest of the employees

The extent of overall remuneration to the MD/ED/KMPs/rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for their roles.

In terms of remuneration mix or composition,

- the remuneration mix for the MD/EDs should be as per the contract approved by the Shareholders. In case of any change that is beyond the remuneration approved by the Shareholders, the same would require the approval of the Central Government.
- basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic /fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
- the Company provides retirement benefits, as applicable.
- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/EDs such remuneration by way of Commission, calculated with reference to the Net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on the performance of the MD/EDs as evaluated by the Board or the NRC and approved by the Board.
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

2.3 Remuneration payable to Director for services rendered in other capacity

No remuneration will be payable to the Directors for services rendered by such Director in any other capacity unless:

- a) The services rendered are of a professional nature;
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and

- c) Approval of the Central Government has been received, if required, for paying the same

2.4 Policy Implementation

The NRC is responsible for recommending the Remuneration Policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration Policy.