



## **REMUNERATION POLICY OF ELIXIR CAPITAL LIMITED**

### **1. PREFACE**

This Remuneration policy of the Elixir Capital Ltd. is formulated to determine the appointment of and remuneration payable to Directors, Key Managerial Personnel ('KMPs') and the Senior Management Personnel ('SMPs') of the Company.

### **2. COMMENCEMENT**

This Remuneration Policy governs policy relating to directors', KMPs' and SMPs' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **3. DEFINITIONS**

For the purpose of this policy all terms shall have same meaning as defined under Companies Act, 2013.

### **4. PURPOSE**

This policy is framed to attain following objectives:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- b. Formulation of criteria and manner for effective evaluation of Board, its Committees and Individual Directors including Independent Directors;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report in compliance with the provision of Companies Act, 2013.
- e. Recommend to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of the Independent Directors.

## 5. PRINCIPLES OF REMUNERATION

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

- i. **Vision And Strategy-** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- ii. **Transparent** –The policy and its execution are clear and practical.
- iii. **Aligned within the company's objectives** – The remuneration policy is aligned with the company's short term and long term objectives, compatible with those of management and other employees.
- iv. **Long-term orientated** – The incentives focus on long-term value creation.
- v. **Compliant** – Company adopts the highest standards of good corporate governance.
- vi. **Simple** – The policy and its execution are as simple as possible and easily understandable to all stakeholders.

- vii. **Internal equity-** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- viii. **External equity-** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. 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. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- ix. **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.
- x. **Performance-Driven Remuneration-** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- xi. **Affordability and Sustainability-** The Company shall ensure that remuneration is affordable on a sustainable basis.

## 6. NOMINATION AND REMUNERATION COMMITTEE

- a. **Composition-** The Members of the Nomination and Remuneration Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- b. **Responsibility & Duties-** The responsibility and duties of Nomination and Remuneration Committee are as follows:
  - i. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
  - ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

- iii. Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- iv. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- v. **Formulating the policy to ensure that:**
  - 1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - 2. relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
  - 3. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

## **7. SELECTION AND APPOINTMENT OF THE BOARD MEMBERS**

Nomination & Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual, ascertain their availability and make suitable recommendations to the Board. The Committee shall identify suitable candidates in the event of any vacancy being created on the Board on account of retirement, resignation or demise of any existing Board member. Based on the recommendations of the Committee, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director will be appointed by the Board.

In the evaluation of Board Members, the Nominations Committee will have regard to normally accepted nomination criteria, including:

- (a) honesty and integrity;
- (b) the ability to exercise sound business judgment;
- (c) appropriate experience and professional qualifications;
- (d) absence of conflicts of interest or other legal impediments to serving on the Board;

- (e) willingness to devote the required time; and
- (f) availability to attend Board and Committee meetings

## **8. PROCESS FOR EVALUATION**

The Nomination & Remuneration Committee of the Board shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board or, by the Committee or by an independent external agency and review its implementation and compliance as the statutory requirements from time to time.

## **9. PUBLICATION OF POLICY**

The policy shall be published on the Company's website. Salient features of the Policy, any change therein and the web address, where the Policy is published shall be given in the Director's Report to be issued by the Board of Directors under Section 134 of Companies Act, 2013

## **10. AMENDMENT**

Any change in the Policy shall be approved by the Board of Directors of the Company.

This amended policy is approved and adopted by the Board of Directors in its meeting held on 14<sup>th</sup> February, 2019 and will be effective from 1<sup>st</sup> April, 2019.