

## **BOROSIL RENEWABLES LIMITED**

### **Policy relating to remuneration for the Directors, Key Managerial Personnel and other employees (with effect from February 12, 2021)**

#### **OBJECTIVE**

The remuneration policy for members of the Board of Directors, Key Managerial Personals and Other Employees has been formulated pursuant to Section 178 of the Companies Act, 2013, which strive to ensure:

- i) 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;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) 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.

#### **REMUNERATION OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company comprises of Executive and Non-Executive Directors, for which separate policies have been framed:

1. Executive Directors comprising of Promoter Directors and Professional Directors;
2. Non-Executive Directors comprises of Promoter (Non Independent) Director and Independent Directors

#### **Remuneration of Executive Directors**

##### **Fixed remuneration:**

All Executive Directors viz Executive Chairman, Managing Director and Whole-time Director will have a component of Fixed Salary, which may be fixed for the whole tenure or in a graded pay scale basis. In addition, they will be entitled to usual perks which are normally offered to top level executives, such as Furnished/Unfurnished house / House Rent Allowance, Medical / Hospitalization reimbursement, Personal accident insurance, club fees, car with driver and retrial benefits including leave encashment as per the Policy of the Company at the end of the tenure.

##### **Variable Components:**

##### **Commission:**

Subject to the approval of the shareholders and within the overall limits prescribed in Section 197 of the Companies Act, 2013, the Executive Directors shall be paid

incentive / commission based on nature of duties and responsibilities, as may be determined by the Board of Directors on year to year basis.

**Bonus:**

Subject to the approval of the Shareholders, in the event of some specific assignment/ achievement, the Executive Director can be paid special bonus(s), as may be decided by Nomination & Remuneration Committee/ Board of Directors.

**Employee Stock Option:** The Company has implemented Borosil Employee Stock Option Scheme 2017 and the Executive Directors (other than promoter Directors) are eligible along with the employees of the Company.

**Reimbursement of Expenses:**

Directors will be entitled for actual entertainment and travelling expenses incurred for business purposes.

The above payments shall be subject to such approvals as may be necessary under the Companies Act, 2013 and the Listing Agreement.

**Remuneration of Non- Executive Directors:**

**Fees:**

Shall be entitled to payment of fees for attending each Board and Committee Meetings as may be decided by the Executive Directors (members) of the Board, within the limit prescribed under the Rules made under the Companies Act, 2013. The fees may be on uniform basis, as the committee views that all directors affectively contribute to the benefit/growth of the Company.

Separate fees may be decided in respect of Board Meetings and Committee Meetings.

**Variable Components:**

**Commission:**

Subject to the approval of the shareholders and within the overall limit of 1% as prescribed by the Companies Act, 2013, the Non-Executive Directors may be paid commission on a pro rata basis.

**Reimbursement of Expenses:**

For Non-Executive Directors actual expenses in connection with Board and Committee Meetings are to be reimbursed. In addition, if a Non-Executive Director is travelling on Company's business, as permitted by the Board, he/she shall be entitled for his/her travelling and lodging expenses on actual basis.

### **Key Managerial Personnel:**

Key Managerial Personnel shall be paid salary and perquisites, like other employees of the Company based on their qualification, job experience, as may be applicable and as may be applicable to the grade, to which they belong.

### **Other Employees:**

The Company has a performance management system in place in form of software that is known as 'Formula HR', for assessing the performance and competence in order to fix the remuneration and determination of increments of the employees.

The Company has various grades starting from Officers Level to Senior Vice President. There are different departments like Production, Marketing, Finance, HR & Administration, Legal, Secretarial and IT, with departmental heads of each departments of the level of Vice President / General Manager with their respective teams/subordinates of different grades.

Initial remunerations are decided based on an employee's qualification, past experience, suitability for the job and the level for which the position is intended.

At the start of every financial year, organizational strategy is converted into department goals which further get converted as individual KRAs & Competencies. At the end of every financial year, individual performance is measured against these set KRAs & Competencies. The increments then are decided on the basis of 4 parameters, viz.

- 1) Individual Performance
- 2) Organizational Performance
- 3) New year's budgeted Organizational Performance
- 4) Industry benchmark

The Promotions are decided broadly on the basis of three parameters viz. availability of promotable position, consistent performance, potential of the incumbent to grow to the next level.

### **Loans / advances to employees:**

The Company has policy for granting loan/advances to its employees containing such terms & conditions including regarding interest, as it may deem fit. The Company may in special cases grant loan/advances beyond the limit prescribed in the said policy. The Company may vary said policy from time to time.

## **CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

### **I QUALIFICATIONS**

He/she shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research,

corporate governance, technical operations, or other disciplines related to Company's business.

The Company will have a blend of Directors comprising of entrepreneurs, professionals and those having administrative experience like ex-IAS officers.

## II POSITIVE ATTRIBUTES

- Clarity of vision
- Originality
- Objectively open to other people's ideas/points of view.
- Is **analytical**, can get to the core issue quickly
- **Challenges** the status quo
- A **good communicator**, both in one-to-one and group situations.
- Has the **courage** of their convictions - particularly in troubled times.
- Is **clear on their direction** - knows where they are heading and why, and how to get there
- **Minimises the casualties** from their decisions
- Maintains **focus** on the strategic direction
- Has high standards of **integrity** - and insists on the same from others
- **Intellect** - has a high level of intelligence
- Exercises sound **judgement** - particularly under pressure
- Knows the **questions to ask**
- Is a good **listener**, emotionally as well
- Is **numerate** - can read and understand financial statements
- Has a healthy **self-esteem** - but does not believe they are infallible
- Is **strategic** in thinking and outlook - but is also aware that successful implementation is what counts
- **Understands the 'value proposition'** of the business
- Is **visionary** - can see the big picture and read future trends
- Fun to work with i.e. should have good working relationship with other Board Members.
- Can make substantial contributions by taking part in deliberations during Meetings.

## III CRITERIA FOR INDEPENDENCE

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed with the company, its holding, subsidiary or

associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives—

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

**Provided** that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

**Provided** that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.