

ADVAIT INFRA TECH LIMITED

REMUNERATION POLICY



This Policy has been adopted and approved by the Board of Directors at its meeting held on 5th December, 2019.

ADVAIT INFRATECH LIMITED- REMUNERATION POLICY

1. PREAMBLE AND OBJECTIVE

This Remuneration Policy (“Policy”) provides the framework and key guiding principles to be followed in determination of remuneration of Directors and other employees (including Key Managerial Personnel (KMP) and those in senior management position), but excluding certain category of employees indicated herein after.

The Key objective of this policy are as under

- 1) To ensure that employee remuneration is in alignment with business strategy & objectives, organization values and long-term interests of the organization.
- 2) To ensure objectivity, fairness and transparency in determination of employee remuneration.
- 3) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate a high performance workforce and is in compliance with all applicable laws.

2. APPLICABILITY

The following organization hierarchy will be followed in development of organization structure, recruitment, remuneration and promotion of employees.

1) At Board Level:

- I. Chairman
- II. Managing Director(MD)
- III. Whole time Director (WTD)
- IV. Independent Non-Executive Directors (NED) and other Non-executive Directors (NED)

2) Below the Board:

- I. Senior Management Cadre (SMC): comprising of Executive Director (not being members of the Board), Vice President & General Manager in that order

- II. Management Cadre (MC): comprising of Assistant General Manager, Manager, Assistant Manager, Executive, Management Trainee (MT)/ Graduate Engineer Trainee (GET) in that order,
- III. Staff Cadre: comprising of Technicians , Peons, Drivers and other similar sub-staff categories.

This Policy is applicable to all categories of employees except Staff Cadre and employees governed by Employee Union Agreements.

3. ELEMENTS OF REMUNERATION

Employee remuneration may have any one or more of the following elements.

- a) Fixed Pay:- Which includes Basic Salary, House Rent Allowance, Car Allowance or Conveyance Allowance, Special Allowance (For Specific purpose), Company's Contribution to Provident Fund and Superannuation Fund and Gratuity .
- b) Variable Pay:- which may be in form of Performance-based pay (upto 20%of total remuneration), Retention Pay (determined case by case basis), One-time Reward (in addition to agreed remuneration) and Commission based on profits (for Directors on the Board).
- c) Other Benefits:- comprising Hospitalization insurance & personal accident insurance , both with defined benefits provided to all employees, annual leave and accumulation/ encashment thereof, provision of Company maintained car and Directors & officers Liability Insurance with defined benefits.
- d) The Objective of this policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

4. ANNUAL REVIEW OF PERFORMANCE AND INCREMENT IN REMUNERATION

- a) Soon after the end of financial year, an annual appraisal of performance of employees will be conducted by HR Department.
- b) The annual appraisal (except for Executive Directors and Directors on Board) will be based on an objective and subjective assessment of performance of employees involving self-assessment, assessment by immediate supervising officers and assessment by Head of Department of defined parameters, Employees will be ranked based on such

- performance appraisal and promotion and increment in remuneration will be determined.
- c) Annual Appraisal of Executive Director/ CFO/ Company Secretary and all other employees covered within the meaning of "Senior Management" as defined in SEBI Listing Regulations/ Companies Act, 2013, will be conducted by the Chairman/ MD based on individual performance and contribution to the business and the same will be placed before the Nomination and Remuneration Committee (NRC)
 - d) Subject to satisfactory annual appraisal, annual revision will be determined based on (a) industry and overall business scenario and financial performance of the Business Unit/ Company for the year , (b) general price inflation for the financial year under appraisal , (c) individual performance merits, (d) refixation required (due to market factors, increased role or promotion),
- In addition to annual revision, the annual appraisal of performance will also be used to determine variable pay component and one-time reward, where applicable.

5. REMUNERATION OF INED/ NED

Remuneration of NED/ NED may be by way of:

- a) Sitting fees based on attendance for each meeting of the Board or Committee thereof, subject to applicable law and as determined by the Board, from time to time.
- b) Commission for the financial year based on attendance of meetings of the Board and Audit & Risk Management Committee and contribution, subject to applicable law and as determined by the shareholders / Board from time to time.

6. REMUNERATION OF MD AND WTD

- a) Remuneration for MD/ WTD may comprise Fixed Pay, other benefits and variable pay in form of Commission based on profits of the Company
- b) The remuneration and annual revision of MD/WTD will be reviewed & recommended by NRC and approved by the Board and Shareholders, where required.

7. REMUNERATION OF SMC

- a) Remuneration of employees in SMC may comprise Fixed pay, Variable pay and other benefit.
- b) Remuneration of Senior Management Personnel, as identified in para 4(c) above, including annual review will be approved by the Board based on review and recommendation of NRC.
- c) Remuneration of other of SMC employees, including annual review will be determined by the Chairman/ MD, upon recommendation by the Corporate HR.

8. REMUNERATION OF MC

- a) MC employees are remunerated by way of Fixed Pay, Variable Pay (on case by case basis) and other benefits
- b) Determination of remuneration of
 - I. Entry level Employees:**

The Remuneration of fresh entry level employees as MT/ GET will be as per yearly policy for campus recruitment (approved by Chairman/ MD), based on market factors, Company requirements and need to attract good talent,
 - II. Other Employees:**

Remuneration of other MC employees, including annual review will be determined by the Chairman/ MD/ Unit Head, upon recommendation by the Unit HR.

9. MISCELLANEOUS

Subject to compliance with the overall objectives stated in Preamble of this Policy, the Chairman/ MD may deviate from the framework/ guideline set herein to deal with exceptional cases. Any such deviation will be put before the next NRC/ Board Meeting.

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