

BHATIA COMMUNICATIONS & RETAIL (INDIA) LIMITED

CIN : L32109GJ2008PLC053336

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. INTRODUCTION

The policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees ("the Policy") provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. The policy has been prepared pursuant to the provision of Section 178(4) of the Companies Act, 2013 ("the Act") and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. OBJECTIVE

The Key Objectives of the Committee shall be:

- I. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- III. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- V. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- VI. To attract highly competent human resources to sustain and grow the Company's business.
- VII. To ensure the policy includes the following guiding principles:
 - 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,
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
 - 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.

3. DEFINITIONS

1. 'Act' means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

2. **‘Board’** means the Board of Directors of the Company.
3. **‘Directors’** mean Directors of the Company.
4. **“Key Managerial Personnel”** in relation to a company means
 - Chief Executive Officer or the Managing Director or the Manager or The Whole- time Director;
 - The Company Secretary
 - The Chief Financial Officer;
 - Such other officers as may be prescribed.
5. **‘Senior Management’** means personnel of the Company who are members of its core management team excluding the Board of Directors and including the Functional Heads.

4. SCOPE

This policy covers Directors, Key Managerial Personnel (KMPs) and the members of the Senior Management of the Company.

5. ROLE OF THE COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- devising a policy on diversity of board of directors.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down recommend to the board of directors their appointment and removal.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

6. POINTS TO BE CONSIDER FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- For appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who:
 1. is below the age of twenty-one years or has attained the age of seventy years
 2. is an undischarged insolvent or has at any time been adjudged as an insolvent;
 3. has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
 4. has at any time been convicted by a court of an offence and sentenced for a period of more than six months.
- The Company shall not appoint or continue the employment of any person as a Whole- time Director who has attained the age of seventy subject to the provisions of applicable laws.
- A person shall be considered for appointment as an Independent Director on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 149 of the Companies Act, 2013.

7. TERM / TENURE

- **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board.
- **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment, re-appointment or removal pursuant to a special resolution passed by the Company and disclosure of such appointment in the Board report. No Independent Director shall hold office for more than two consecutive terms, but

such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Disclosure of such appointment in the Board's report is to be done.

At the time of appointment of Director, it should be ensured that number of Boards on which such Director serves is restricted to Seven listed companies as a Director and three listed companies as an Independent Director.

In case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

8. EVALUATION

The Committee shall carry out the process evaluation of performance of every Director, KMP and Senior Management Personnel and other employees at regular interval or at least on annual basis.

Performance evaluation of the KMPs, Senior Management Personnel and other employees shall be carried out by their respective reporting Executives and Functional Heads. Performance evaluation of the Independent Directors shall be carried out by the entire Board, except the Independent Directors being evaluated.

9. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

10. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance of all applicable legislations.

11. POLICY RELATING TO THE REMUNERATION OF THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

GENERAL:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration /

compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

- The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act these would be subject to approval of the shareholders of the Company wherever required.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. However, proportionate Insurance Premium paid for Group Medi-claim Policy or Group Personal Accident Policy shall be considered as part of the overall remuneration for the individual director/employee of the Company.
- The company may provide interest free loans to its employees to meet any Exigencies (education, rent deposit etc.) and shall be granted in accordance with their condition of services.
- The total managerial remuneration payable by the company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed 11% of the net profits of the company for that financial year computed in the manner laid down in section 198 of Companies Act, 2013, except that the remuneration of the directors shall not be deducted from the gross profits. The company may give remuneration exceeding 11% subject to the provision of Companies Act, 2013.

12. REMUNERATION TO WHOLE-TIME/EXECUTIVE/MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

a) FIXED PAY:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) MINIMUM REMUNERATION:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) PROVISIONS FOR REMUNERATION DRAWN IN EXCESS:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

d) REMUNERATION TO DIRECTORS IN OTHER CAPACITY:

The remuneration payable to the directors including managing or whole-time director or manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

1. The services rendered are of a professional nature; and
2. In the opinion of the Nomination and Remuneration Committee (if applicable) or the Board of Directors in other cases, the director possesses the requisite qualification for the practice of the profession.

13. REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR

a) REMUNERATION / COMMISSION:

The remuneration / commission shall be proposed by the Nomination & Remuneration Committee and approved by the Board.

b) SITTING FEES:

A director may receive remuneration by way of fee for attending the Board/Committee meetings or for any other purpose as may be decided by the Board. Provided that the amount of such fees shall not exceed the amount as may be prescribed or decided by the Board not exceeding 1 lakh per meeting of the Board or committee thereof

The Board may decide different sitting fee payable to independent and non-independent directors other than whole-time directors.

c) STOCK OPTIONS:

The company may provide stock option which shall be included in total remuneration however an Independent Director shall not be entitled to any stock option, if any, of the Company.

14. REMUNERATION OF OTHER EMPLOYEES

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments is applicable to this category of

personnel as the management decides.

15. KEY FACTORS FOR DETERMINING REMUNERATION

- While determining remuneration of the directors, the Committee shall ensure that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate such directors of the quality required to run the Company successfully;
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and the 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 goal.
- No director / KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

16. CRITERIA FOR DETERMINING REMUNERATION

- Responsibilities and duties assigned
- Time and efforts devoted
- Value addition
- Profitability of the Company and growth of its business
- Standards for certain functions where there is a scarcity of qualified resources
- Other criteria as may be applicable.

17. REVIEW

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Board of Directors of the Company, subject to applicable laws, is entitled to amend, suspend or rescind this Policy at any time in line with the Listing Regulations. In case of any conflict between this policy and Act, Rules or Regulations or any other law as may be applicable such law shall prevail.

The updated policy shall be continuously hosted on the website of the company.

(This policy is revised by the Board of Directors at their meeting held on 27th March, 2025 and effective from 27th March, 2025)