

HTL LIMITED
REMUNERATION POLICY

HTL Limited

Remuneration Policy

Preamble

Section 178 of the Companies Act, 2013 provides that the Nomination and Remuneration Committee (“NRC”) shall 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 (“KMP”) and other employees.

Objective

The Remuneration Policy of HTL Limited. (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy emphasize on promoting talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Applicability

This Remuneration Policy applies to directors, Key Managerial Personnel (KMP) and other employees of the Company.

Appointment criteria and qualifications

The NRC shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or as senior management personnel and recommend to the Board his/her appointment. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment.

Directors and KMP

As per the Policy followed by the Company the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

Remuneration of Whole Time Directors including Managing Director and KMP reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Directors and KMP, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The NRC while fixing the remuneration ensures that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The NRC while considering a remuneration package to Directors, KMP and Senior Management must ensure a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The term of office and remuneration of Managing Director/Whole Time Directors and KMP are subject to the approval of the Board of Directors, Shareholders and the limits laid down under the Companies Act, 2013. Remuneration packages for Managing Director/Whole Time Directors and KMP are designed to remunerate them fairly and responsibly. The Managing Director/ Whole Time Directors' and KMP's remuneration comprises of salary, perquisites, allowances, remuneration based on net profits, ex-gratia, medical expenses and all other reimbursements, if any, apart from retirement benefits like P.F., Superannuation, Gratuity, etc as per Rules of the Company.

The Managing Director/ Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment also provide for severance payments.

Evaluation

The NRC shall carry out evaluation of performance of all directors in every year. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Further the Independent directors of the Company shall hold at least one meeting in a year, without the attendance of non- independent directors and members of management. The such meeting shall:

- a) Review the performance of non-independent directors and the Board as a whole;
- b) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

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, allowances and retirement benefits as per schemes of the Company and statutory requirements, wherever applicable. Policy of motivation/ reward/ severance payments is applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors Whole Time Directors and KMP/ Senior Management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Dissemination

The Company's Remuneration Policy shall be disclosed in the Board's Report and website of the Company.