

**BOOKER INDIA PRIVATE LIMITED**

**REMUNERATION POLICY FOR DIRECTORS, KEY  
MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

**EFFECTIVE FROM 4<sup>TH</sup> DECEMBER 2019**

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Booker India Private (“Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of the Companies Act, 2013 (“Act”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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

Key principles governing this remuneration policy are as follows:

#### **Remuneration for independent directors and non-independent non-executive directors**

- Independent directors (“ID”) and non-independent non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission, if any, will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission, if any) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay the remuneration and overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.

- The aggregate commission payable, if any, to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation, and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission, if any, for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by Directors other than at meetings.
- In case of an Executive who is in full time employment of any Tata Company and is receiving salary as full time employee, is appointed as Non-Executive Director (NED) on any Tata Company, such NED would not be eligible for any commission. However, such NED would be eligible for sitting fees as per the Policy of the Company.
- In addition to the sitting fees and commission, if any, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a director.

### **Remuneration for Managing Director (“MD”)/Executive Directors (“ED”)/Key Managerial Personnel/rest of the employees**

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be market competitive, driven by the role played by the individual, reflective of size of the Company, complexity of the sector/industry/Company’s operations and the Company’s capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/EDs is as per the terms approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/fixed salary is provided to all the employees to ensure that is a steady income in line with their skills and experience.
  - In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and improved take home pay, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and

hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance, as applicable.

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the NRC/Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.
- The Company also provides a performance linked bonus to certain grade of employees. The performance linked bonus would be driven by the outcome of the individual performance appraisal process and the performance of the Company.

#### **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

#### **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.