

# **SPICE MOBILITY LIMITED**

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## **Remuneration Policy**

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(Effective from April 01, 2019)

{Version - 2}

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# REMUNERATION POLICY

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## 1. INTRODUCTION

In terms of Section 178 of the Companies Act, 2013 (“Act”) and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company had adopted the Remuneration Policy (“Policy”) for the matters relating to the remuneration of the directors, key managerial personnel (“KMP”) and other employees. In pursuance to the amendments made in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, has approved this revised **Remuneration Policy** w.e.f. April 01, 2019.

The Policy 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 to them. It reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

## 2. APPLICABILITY

This Remuneration Policy shall apply to all present and future appointment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

## 3. GUIDING PRINCIPLES

The remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. The Policy is aimed to ensure that:

- (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 and other employees 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.

While designing remuneration packages, industry standards and cost of living shall also be taken into consideration.

Any departure from the policy can be undertaken only with the approval of the NRC and the Board of Directors of the Company.

#### 4. DEFINITIONS

- a. **“Board of Directors or Board”** means the Board of Directors of the Company.
- b. **“Company”** means Spice Mobility Limited, incorporated under the provisions of the Companies Act, 1956.
- c. **“Independent Director”** means a Director referred to in Section 149(6) of the Act and relevant provisions of the Listing Regulations.
- d. **“Key Managerial Personnel”** means –
  - 1) the Chief Executive Officer or the managing director or the manager;
  - 2) the Company Secretary;
  - 3) the Whole-time director;
  - 4) the Chief Financial Officer; and
  - 5) such other officer as may be prescribed.
- e. **“Nomination and Remuneration Committee (“NRC”)** means committee constituted by the Board in accordance with the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations.
- f. **“Senior Management”** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall include company secretary, chief financial officer and all functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and/or Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **5. POLICY FOR REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT AND OTHER EMPLOYEES**

The remuneration / compensation / commission etc. to be paid to Directors, KMP and Senior Management will be determined by NRC and recommended to the Board for approval.

The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act and the Rules made thereunder.

Increments to the existing remuneration / compensation/ commission etc. to be paid to Directors, KMP and Senior Management shall be recommended by NRC to the Board. In case of Managing Director/ Whole-time Director, the said increment should be within the limits approved in accordance with the provisions of the Act and the Rules made thereunder.

Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management 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.

### **5.1 Remuneration to Non-Executive/Independent Directors**

The remuneration payable to each Non-Executive Director shall be based on individual contribution, the Company's performance, and the provisions of the Act and the Rules made thereunder.

The Independent 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. Besides the sitting fees they are also entitled to reimbursement of expenses.

Non-executive Directors (including Independent Directors) may also be paid Commission subject to the limit specified under the applicable provisions of the Act.

An Independent Director shall not be entitled to any stock option of the Company.

## 5.2 Remuneration to Executive Directors

Remuneration packages for Executive Directors are designed subject to the limits laid down under the Act to remunerate them fairly and responsibly. Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The Executive Directors' remuneration comprises of salary, perquisites, performance based commission/ reward and Stock options apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company. They shall be entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc.

The Executive Directors shall not be paid any sitting fee for attending the Board meetings or committee thereof or commission.

## 5.3 Remuneration to Key Managerial Personnel (KMP) and Senior Management

Appointment of KMP and senior management are subject to the recommendation of the NRC and approval of the Board. Total remuneration of KMP and other senior management personnel comprises of:

- a. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
- b. **Perquisites** - in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
- c. **Stock Options** - to the extent permitted under applicable laws.
- d. **Retirement benefits** - contribution to PF, superannuation, gratuity, etc. as per Company Rules.
- e. **Motivation /Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided on the basis of appraisal and recommendation of the Nomination and Remuneration Committee.
- f. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

## 5.4 Remuneration to 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 stock options,

perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as per the HR Policy of the Company.

## 6. DISCLOSURE

As required under the applicable legal provisions, the Company shall place on its website the salient features of the policy and changes therein, if any, and the web address of the policy shall be disclosed in the Board's report.

## 7. POLICY REVIEW

- (a) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
  - (b) This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.
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