

## Remuneration Policy for Directors and Senior Management Personnel

### 1. Introduction

Spentex Industries Limited (SIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors and Senior Management Personnel keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Senior Management Personnel, to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration 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.

### 2. Scope

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors and other Senior Management Personnel of the Company.

### 3. Definitions

In this Policy, the following terms shall have the following meanings:

**“Director”** means a director appointed to the Board of the Company.

**“Key Managerial Personnel”** means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

**“Nomination and Remuneration Committee”** means the committee constituted by SIL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

“Senior Management” includes the Key Managerial Personnel and the person who is designated as President and Sr. Vice President in the Company.

#### 4. Policy

##### Remuneration to Executive Directors and Senior Managerial Personnel

- a) The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- b) The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Senior Managerial Personnel of the Company.
- c) Company has established grade structure for its Managerial Personnel according to their qualifications, work experience, competencies and performance in their roles and responsibilities in the organization. as under:

SI No.	Level	Grade of Pay (Gross CTC)
1.	Promoter Director	6,50,000 – 3% - 8,00,000
2.	Executive Director	6,00,000 – 3% - 7,50,000
3.	President	4,50,000 – 3% - 5,50,000
4.	Sr. Vice President	2,50,000 – 3% - 4,50,000
5.	Below Sr. Vice president	50,000 – 3% - 2,50,000

\* Annual Increment (AI) 3% of Gross CTC

\*\*Promotional Increment (PI) 6% of Gross CTC

- d) The remuneration structure to the Executive Directors and Senior Managerial Personnel may include any of the following components and will form part of CTC of such as.
  - (i) Basic salary including additional salary
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission
  - (vi) Annual Performance salary / Bonus/ Incentive / Choice pay

**In addition to above executive are eligible for following perks but the same may not form part of CTC such as:**

1. Company Maintained Car(s) with Chauffeur(s).
2. Mobile, Data Card, Land Line & Fax connection with Internet Facility at residence,
3. Club fee subject to maximum of two clubs,

4. Personal accident Insurance, Medclaim Insurance as per company Policy,
5. Leave encashment/ encashment of un-availed leaves accordance with rules specified by Company.
6. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
7. Reimbursement of all entertainment, travelling, hotel and other expenses actually incurred by him in connection with the business of the Company.

### **Performance Evaluation**

Company has practise of getting self appraisal form filed by the concerned individual within 45 days of his/her increment becoming due (appraise) and the same is evaluated by his superior within one month as appraiser. Subsequently appraisal form shall be finally reviewed by the Nomination and Remuneration Committee in the meeting which shall be held along with the upcoming next Board Meeting.

The remuneration/increments payable to the Directors and to Senior Management Personnel shall be subject to their performance evaluated for the respective annual evaluation period.

Company may also conduct mid-term evaluation at all levels for the deserving candidates and the concerned individual may get appraised as per his/her performance parameters with such amount as the management may think fit.

Based on evaluation, Company at its own discretion, may award additional revision/increment/incentives/bonus to the concerned individual depending upon his individual's performance parameters with such amount as the management may think fit within the overall limit approved by the Board.

### **Remuneration to Non-Executive Directors**

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.