

REMUNERATION  
POLICY OF SIDDHA  
VENTURES LIMITED

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FOR THE MEMBERS OF BOARD  
AND  
EXECUTIVE MANAGEMENT

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## **1. PREAMBLE**

The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “**Executives**”). The expression “senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise 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 specifically include Company Secretary and Chief Financial Officer.]

- 1.1 In terms of Section 178 of the Companies Act, 2013 which has been made effective from April 1, 2014 by the Central Government vide notification no. S.O. 902(E) issued on March 26, 2014, this Remuneration Policy (“the Policy”) is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 1.2 In terms of requirements of the Companies Act, 2013, the Company has constituted a Nomination and Remuneration Committee.
- 1.3 The policy will be reviewed by the Nomination and Remuneration Committee of the Board of Directors, as and when required

## **2. AIMS & OBJECTIVES**

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
  - 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
  - 2.1.2 The remuneration policy seeks to enable the company to provide a well- balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

- 1.1.1 The remuneration policy will ensure that remuneration to Directors, Key Managerial
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Personnel and Senior Management involves a balance between short and long-term performance objectives appropriate to the working of the company and its goals.

### **3. PRINCIPLES OF REMUNERATION**

1.1.2 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

1.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

1.3 Internal equity: The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

1.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

1.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

1.6 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

### **4. Nomination and Remuneration Committee**

4.1 The Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee. Members of the Committee have been appointed by the Board and comprises of three or more non-executive directors out of which not less than one-half are independent directors.

4.2 The Committee is responsible for

4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodical basis;

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- 4.2.2 Formulating 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 and other employees;
- 4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 4.2.5 recommending to the board, all remuneration, in whatever form, payable to senior management;
- 4.2.6 recommending whether or not to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;  
devising a policy on Board diversity

4.3 The Committee shall:

- 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
- 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

- 4.4.1 review the terms of executive Directors' service contracts from time to time.

## **5. Procedure for selection and appointment of the Board Members**

### **Board membership criteria**

- 4.4.2 The Committee, along with the Board, reviews appropriate skills, qualifications, characteristics and experience required of the Executive Members of the Board for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
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4.4.3 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions.

4.1.1 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

4.1.2 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

#### **Selection of Board Members/ extending invitation to a potential Director to join the Board**

4.1.3 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

## **6. PROCEDURE FOR SELECTION AND APPOINTMENT OF EXECUTIVES OTHER THAN BOARD MEMBERS**

4.2 The HR department of the Company will submit a representation to the Committee about the requirement of Executives.

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- 4.5 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 4.6 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP; in case of extreme exigencies the approval of the Committee may be obtained post facto.
- 4.7 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.
- 4.8 Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors in the form of recommendation;

## **7. COMPENSATION STRUCTURE**

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

The Non-executive Directors of the Company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors may be paid such commission as the Board may approve from time to time subject to limits prescribed from time to time in the Act or Rules made thereunder. As per SEBI (LODR) Regulations, 2015 as amended the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

### **Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The Executive Directors are neither paid sitting fee nor any commission.

## **8. ROLE OF INDEPENDENT DIRECTORS**

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- 8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.
- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management.
- 8.3 The Independent Directors shall submit its recommendations/ proposals/decisions to the Committee which the Committee shall consult and take to the Board of Directors.

## **9 APPROVAL AND PUBLICATION**

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013

## **10 SUPPLEMENTARY PROVISIONS**

- 10.1 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflicts with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.2 The right to interpret this Policy vests in the Board of Directors of the Company.

## **11 EFFECTIVE DATE**

This policy is effective from: 1<sup>st</sup> April, 2022.

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