

Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

[Pursuant To Section 178(3) of the Companies Act, 2013 and Regulation 19 read along with Schedule II of the SEBI Listing Regulations]

I. NEED FOR THE POLICY

- Business Need: Retaining, attracting and managing quality talent is of critical importance to the Company's intellectual property and knowledge driven global business. Such a function requires a communication by the Company that the organisation cares for its team and values the growth of its team members. It requires providing clarity, guidance on the remuneration policy of the Company and manner or the mechanism in which the Company rewards its team.
- Legal requirements: Section 178 of the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges require the Board of Directors ("Board") of the Company, on recommendation of the Nomination and Remuneration Committee ("NRC"), to formulate a policy, relating to the remuneration for the directors, key management personnel and other employees.

II. OBJECTIVES OF THE POLICY

- Retaining, attracting and managing quality talent.
- Ensuring 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.
- Ensuring the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensuring the 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.
- Improving the overall performance and value of the Company by optimum use of its human resources.

III. APPLICABILITY

This Policy will be valid for employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter.

IV. POLICY STATEMENT

- Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will also take into account the experience of the personnel, the complexity of the job, work duration and risks associated with the work.
- Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class Name of the personnel.
 - a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
 - b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on short and long term performance objectives of such personnel.
 - c. Share based payments: The Board may on the recommendation of the NRC issue to certain class Name of personnel a share and share price related incentive program.
 - d. Non-monetary benefits: Senior management personnel of the Company may be entitled to customary non-monetary benefits such as Company cars and company health care benefits. In addition thereto in individual cases Company housing and other benefits may also be offered.
 - e. Gratuity/group insurance: Personnel may also be entitled to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.
 - f. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- Entitlement: The entitlement to various components as aforesaid for each className and designation of personnel will be determined by the following.

Designation/ClassNclass Name	To be determined by
Director	Members on recommendation of NRC and the Board.
Senior Management and Key Managerial Personnel	Board on recommendation of the NRC
Other employees	Human Resources Head

Note: For the purpose of this Policy, the term 'Senior Management' shall have the same meaning as defined under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

V. POLICY DEVIATION

The NRC or the Board may deviate from this Policy if there are specific reasons to do so in an individual case.

VI. CHANGE MANAGEMENT

The Board may in consultation with the Nomination and Remuneration Committee amend or modify this Policy in whole or in part, at any time.

*For Sellowrap Industries Limited
(Formerly known as Sellowrap Industries Private Limited)*