

## **REMUNERATION POLICY**

### **1. Preamble**

The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), the Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of Eveready Industries India Ltd. (“EIL”). The expression “senior management” means personnel of EIL who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

### **2. Objectives**

The remuneration policy is framed inter alia, with the following objectives:

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate talents of the quality required to run EIL successfully, in the interest of long term sustainability and create competitive advantage.
- That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- That the remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of EIL and its goals.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in KMP and SMP positions and to evaluate the performance of Directors.
- To determine remuneration based on EIL’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.

### **3. Principles of Remuneration**

EIL strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel in keeping with the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.

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Reference to external market norms may be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to EIL’s remuneration practices at that time.

Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of EIL whilst complying with relevant legislation(s).

#### **4. Selection and Appointment of the Directors**

The qualifications and appointments shall be governed as per the provisions of the Companies Act, 2013 (the Act) and Rules thereof and the Listing Agreements as amended from time to time.

Directors should possess high personal and professional ethics, integrity and values and should be able to devote sufficient time and energy as is prudent and necessary in carrying out their duties and responsibilities effectively.

The Nomination & Remuneration Committee of the Board, ("the Committee") along with the Board, should consider positive attributes, independence, appropriate and diverse qualifications and skills, appropriate characteristics and experience, required of the Board as a whole and its individual members with the objective of having a Board with diverse background and experience in business, government, academics, technology, finance and in areas that are relevant for EIL's operations.

The Committee is also to identify 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 to evaluate the candidate(s) and decide on the selection of the appropriate member.

#### **5. Selection and Appointment of KMP and SMP**

EIL may conduct a wide-ranging search for candidates for the positions of KMP and SMP within EIL and on the human resources market.

The Committee to liaise with the relevant departments of EIL to study the requirement for management personnel, as may be required from time to time.

The qualifications of the candidates shall be examined on the basis of the conditions for appointment of KMP and SMP.

#### **6. Term/Tenure**

The Term/Tenure of the Directors shall be governed as per the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

#### **7. Remuneration to the Managing Director and Whole time Directors (Executive Directors):**

The Executive Directors shall be eligible for a remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale, performance bonus, commission and quantum of perquisites including, housing, car, medicals, leave travel allowance, club fees, leave encashment, insurance, retiral benefits and other perquisites and allowances shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and /or Central Government, wherever required.

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.

If, in any financial year, EIL has no profits or its profits are inadequate, EIL shall pay remuneration to its Executive Directors in accordance with the provisions of the Act and/or SEBI LODR Regulations as amended from time to time and/or with the approval of the Central Government as applicable and necessary. Provided that the remuneration in excess of the limits may be paid if the resolution passed by the shareholders is a special resolution.

#### **8. Remuneration to Non-Executive / Independent Directors:**

Sitting fees for attending meetings of Board or Committee may be paid as fixed by the Board on the recommendation of the Committee within the amounts as may be prescribed by the Central Government from time to time.

Commission may be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Act and/or SEBI LODR Regulations as amended from time to time. Provided that the remuneration in excess of the limits may be paid if the resolution passed by the shareholders is a special resolution.

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

#### **9. Remuneration to KMP, SMP and other employees**

The KMP, SMP and other employees of EIL shall be paid remuneration as per EIL's HR policies and / or as may be approved by the Committee. The break-up of the pay scale, performance bonus and quantum of perquisites including, housing, car, medicals, leave travel allowance, club fees, leave encashment, insurance, retiral benefits and other perquisites and allowances etc. shall be as per EIL's HR policies.

In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors, then such approval will be accordingly procured.

#### **10. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

#### **11. Retirement**

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of EIL as applicable and prevalent. The Board will have the discretion to retain the Director, KMP, SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of EIL.

#### **12. Approval and Disclosure**

This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

This policy shall be accordingly disclosed as part of the Board's Report.

#### **13. Amendment**

The right to interpret / amend / modify this Policy vests in the Board of Directors of EIL.