

**REMUNERATION POLICY FOR DIRECTORS, KEY MANAGEMENT PERSONNEL,
& OTHER EMPLOYEES OF
ROX HI-TECH LIMITED**

*[Pursuant to Section 178(3) of the Companies Act, 2013, and Regulation 19, read along with
Schedule II of the SEBI Listing Regulations]
(Approved by Board on its meeting held on 25th July 2023)*

The philosophy for remuneration of directors, key managerial personnel ("KMP"), and all other employees of **Rox Hi-Tech Limited** ("the Company") is based on the commitment to foster a culture of leadership with trust. The remuneration policy is aligned with this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"), and Regulation 19, read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail, and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as follows:

- "(a) The level and composition of remuneration are reasonable and sufficient to attract, retain, and motivate directors of the quality required to run the company successfully.
- (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- (c) 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."

The key principles governing this remuneration policy are as follows:

▮ **Remuneration for independent directors and non-independent non-executive directors**

- ▮ Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commissions within regulatory limits.
- ▮ Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- ▮ Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain, and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

- Overall remuneration should be reflective of the size of the company, the complexity of the sector/industry/company's operations, and the company's capacity to pay the remuneration.
- Overall, remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation, and any other significant qualitative parameters as maybe decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process, which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings, and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditures as may have been incurred by the director while performing his or her role as a director of the company. This could include reasonable expenditures incurred by the director for attending Board or Board committee meetings, general meetings, court-convened meetings, meetings with shareholders, creditors, or management, site visits, induction and training (organized by the company for directors), and obtaining professional advice from independent advisors in the furtherance of his or her duties as a director.

□ **Remuneration for the managing director ("MD"), executive directors("ED"), KMP, and the rest of the employees**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be.

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
- Driven by the role played by the individual,
- Reflective of the size of the company, the complexity of the sectors or industry's operations, and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
 - The remuneration mix for the MDs and EDs is as per the contract approved by the shareholders. In the event of any change, the same would require the approval of the shareholders.
 - A basic, fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

- In addition to the basic or fixed salary, the company provides employees with certain privileges, allowances, and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance coverage and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- In addition to the basic or fixed salary, benefits, perquisites, and allowances as provided above, the company provides MDs and EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MDs and EDs would be based on their performance as evaluated by the Board or the NRC and approved by the Board.
- In addition to the basic or fixed salary, benefits, perquisites, and allowances as provided above, the company provides MDs and EDs such remuneration by way of an annual incentive remuneration or performance-linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component is as follows:
 - ▮ Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time, industry benchmarks of remuneration,
 - ▮ performance of the individual.
- The company provides the rest of the employees with a performance-linked bonus. The performance-linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

▮ **Remuneration payable to the director for services rendered in another capacity.**

The remuneration payable to the directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity, unless:

- a) The services rendered are of a professional nature, and
- b) The NRC is of the opinion that the director possesses the requisite qualifications for the practice of the profession.

▮ **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The boards responsible for approving and overseeing the implementation of the remuneration policy.