

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. Introduction:

RMC Switchgears Limited recognises the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 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 and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

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

1. **“Director”** means a director appointed to the Board of the Company.
2. **“Key Managerial Personnel”** means
 - (a) the Chief Executive Officer or the managing director or the manager;
 - (b) the company secretary;
 - (c) the whole-time director;
 - (d) the Chief Financial Officer; and

(e) such other officer as may be prescribed under the Companies Act, 2013

3. **“Nomination and Remuneration Committee”** means the committee constituted by RIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

4. Policy:

1. Remuneration to Executive Directors and Key Managerial Personnel

- The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
 - (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
 - (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity
- The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
 - a. Basic Pay
 - b. Perquisites and Allowances
 - c. Stock Options

- d. Commission (Applicable in case of Executive Directors)
 - e. Retiral benefits
 - f. Annual Performance Bonus
- The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the Nomination and Remuneration Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

2. Remuneration to Non-Executive Directors

- 4.2.1 The board of directors on recommendation of the Nomination and Remuneration Committee shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.
- 4.2.2 The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.
- 4.2.3 The approval of shareholders mentioned in clause (a), shall specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate.
- 4.2.4 The approval of shareholders by special resolution shall be obtained every financial 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
- 4.2.5 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

***Policy has been reviewed and approved at the Board Meeting held on 20th May, 2025**