



Nomination and Remuneration Policy

1. PREAMBLE

The Nomination and Remuneration Policy of Paramount Communications Limited (hereinafter referred to as “**the Company**”) is designed to attract, motivate and retain talent by offering an appropriate remuneration package and also by way of providing a congenial & healthy work environment.

This Nomination and Remuneration Policy (hereinafter referred to as “**the Policy**”) applies to Directors, Senior Management including the Key Managerial Personnel (KMP) and other employees of the Company.

2. PRINCIPLES

The Policy is framed to comply with Section 178 of the Companies Act 2013 and Clause 49 of Listing Agreement of stock exchanges.

3. APPLICABILITY

The Policy shall guide the remuneration of Directors, Senior Management including Key Managerial Personnel and other employees.

4. DEFINITIONS

- a. “**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. “**Board**” means Board of Directors of the Company.
- c. “**Company**” means Paramount Communications Limited.
- d. “**Independent Director**” means a director referred to in Section 149(6) of the Companies Act, 2013.

- e. **“Key Managerial Personnel” (KMP)** means
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Company Secretary;
 - iii. Whole Time Director;
 - iv. Chief Financial Officer; and
 - v. Such other officer as may be prescribed.

- f. **“Nomination and Remuneration Committee (NRC)”** means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

- g. **“Other Employees”** mean all employees other than the Directors, KMPs and the Senior Management.

- h. **“Policy or This Policy”** means “Nomination and Remuneration Policy”.

- i. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and perquisites as defined under the Income Tax Act, 1961.

- j. **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors including functional heads.

5. **OBJECTIVE AND PURPOSE OF POLICY**

In line with the requirements of the listing agreement and the Companies Act, 2013, the objectives and purpose of the policy are as under:

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director and to recommend their appointment/removal;
2. To lay out the remuneration principles for the directors, KMP and other employees;
3. To devise a policy on Board Diversity;
4. To lay down the criteria for identifying people who can be appointed in senior management and recommend their appointment.

6. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

- Every person considered for employment by the Company at Senior Management shall fulfill the following criteria:
 - a. He/she should be a person of integrity;
 - b. The person should possess adequate qualification, positive attributes, expertise and experience commensurate with the position he/she is being considered for appointment. The Nomination and Remuneration Committee (NRC) shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
 - c. The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for 6 months or more during last 5 years or imprisonment for 7 years or more at any point in time.
 - d. The person should possess all requisite qualifications (wherever applicable) as may be prescribed under any law, rules, regulations and listing agreement with the stock exchanges.

- Every person proposed to be appointed as Director or Managing Director or Whole Time Director shall fulfill the following criteria:
 - He/she should be person of integrity;
 - The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business of the Company. NRC shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
 - The person should not have been disqualified to be a director as per the provisions of the Companies Act, 2013 & Rules made there under and any other law(s) & regulation for the time being in force.
 - In case of appointment as Independent Director, the person shall also fulfill the criteria of independence prescribed under the Companies Act, 2013 & Rules made there under, and the listing agreement with the stock exchanges.

7. REMUNERATION STRUCTURE

➤ *Remuneration of Non-Executive Directors*

- i. The non-executive directors are paid remuneration by way of sitting fee for attending Board meetings and meeting(s) of committee of Board of Directors, as fixed by the Board of Directors from time to time, in accordance with the statutory provisions. At present, sitting fee is paid @ Rs. 25,000/- (Rupees Twenty Five Thousand) per Board & Committee meeting.
- ii. In addition to sitting fee as mentioned above, presently, the Non-executive Independent Directors are also paid a lump sum for conveyance and out of pocket expenses at the rate of Rs. 8,000/- (Rupees Eight Thousand Only), for each committee meeting or meeting of the Board of Directors attended by them.

➤ *Remuneration of Whole-time Directors*

- i. The term of office and remuneration of Whole-time Directors are subject to the approval/in accordance with the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013, as applicable from time to time.
- ii. While considering the appointment and remuneration of Whole-time Directors including Managing Director, the Nomination & Remuneration Committee (NRC) considers the conditions of employment and compensation in the industry, merit and seniority of the person, cost of living and the paying capacity of the Company.
- iii. Further, NRC while designing the remuneration package considers the remuneration package to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to discharge the functions.
- iv. NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the operations of the company and its goals.
- v. The Whole-time Directors' remuneration comprises of salary, perquisites apart from retirement benefits like P.F., Gratuity, etc. as per Rules of the Company.

- vi. The Whole-time Directors are entitled to customary non-monetary benefits such as company cars, health care benefits, leave travel, communication facilities, etc.

➤ **Remuneration of KMP & Senior Management**

Appointment of KMP & Senior Management and their removal are subject to approval of NRC and Board of Directors. Remuneration of KMP and senior management personnel is decided by CEO and Managing Director, broadly based on the Policy for Whole Time Directors. Total remuneration may comprise of:

- a. **A fixed base salary & special allowance/pay** - set at a level to attract and retain executives with professional and personal competence.
- b. **Perquisites** – by way of house rent allowance/accommodation, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
- c. **Variable Pay/Bonus** – by way of quarterly/annual pay outs depending upon the individual's performance and Company's performance towards achieving the Company's targets.
- d. **Retirement benefits** - contribution to PF, gratuity etc. as per Company Rules.
- e. **Motivation /Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by Chairman & CEO and Managing Director of the company, in consultation with the concerned Head of Department.
- f. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

➤ **Remuneration of Other employees**

The remuneration of other employees is fixed from time to time, as per the principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also paid allowance, perquisites, and retirement benefits as per schemes of the Company and statutory requirements, where applicable.

8. BOARD DIVERSITY

- i. The Board shall consist of such number of Directors, including atleast one women Director, and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

- ii. When the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board comprise independent directors.
- iii. The NRC will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.
- iv. Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

9. DISCLOSURE(S) OF REMUNERATION

Information on remuneration of Directors, Whole-time Directors and KMP/Senior Management personnel may be disclosed as per applicable statutory requirements.