

RUBAMIN GROUP OF COMPANIES

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SUBJECT: REMUNERATION POLICY

The Remuneration Policy of RUBAMIN Ltd (the "Company") is designed to attract, motivate and retain manpower in a competitive and Indian market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

Guiding principles

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

- The remuneration policy for executives reflects the overriding remuneration philosophy and principles of Rubamin Group. When determining the remuneration policy and arrangements for Executive Directors/ KMP's, the Remuneration Committee considers pay and employment conditions with peers / else where in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- The Remuneration Committee while considering a remuneration package must ensure 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 Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Reward principles and objectives

Our remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act, 2013, interalia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

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Reward policies:

Attract and retain:

Remuneration packages are designed to attract high- calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

Motivate and reward:

Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short-and long-term.

The principal terms of non-monetary benefits:

The Executives will be entitled to customary non- monetary benefits such as company cars and company health care, telephone etc. In addition thereto in individual cases company housing and other benefits may also be offered.

Executive Remuneration –Board of Management

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance and a benchmark of Indian companies, which in size and complexity are similar to Rubamin. In determining packages of remuneration, the Committee may consults with the Chairman/ Managing Director as appropriate. Total remuneration shall be comprised as follows:

- ❖ A fixed base salary, set at a level aimed at attracting and retaining executives with professional and personal competences required driving the Company's performance.
- ❖ Short-term incentives, based on the achievement of a number of individual, pre-defined financial and strategic business targets recommended by the Committee and approved by the Board of Directors under normal circumstances
- ❖ Long-term incentives in the form of stock options, promoting a balance between short-term achievements and long-term thinking. However the Directors should not participate in the stock options.
- ❖ Pension contributions, made in accordance with applicable laws and employment agreements.
- ❖ Severance payments, in accordance with termination clauses in employment agreements. Severance payments shall comply with local legal framework.

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Disclosure of Information

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

Approval of the Remuneration Policy:

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors. The Remuneration Policy is binding for the Board of Directors including its provisions on stock options. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

Effective Date : 27.06.2014

Approved by : Released by: Group HR-Head

