

Company Policy on Directors' Appointment & Remuneration

Policy on Directors, Key Managerial Personnel and Senior Management Employees Appointment and Remuneration

1. Introduction

1.1 Reliance Securities Limited considers human resources as its invaluable assets of the Company. The policy aims to harmonise the aspirations of the directors/ employees with the goals of the Company.

1.2 Human capital is a strategic source of value creation and an important asset of our Company. As part of progressive HR Philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

2.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.

2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their merits and also protects employees, particularly those in junior cadre, against inflationary pressures;

2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope and Exclusion

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board for the appointment and remuneration of the directors, key managerial personnel, Senior managerial personnel of the Company.

4. Definitions

4.1 “Director” means a director appointed to the Board of the Company.

4.2 “Key Managerial Personnel” means

- (i) the Chief Executive Officer or the managing director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013.

4.3 “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, if any.

5. Policy:

5.1. Appointment of Directors / Key Managerial / Senior Management personnel

The Nomination and Remuneration Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for Selection. The Board considers the recommendation of the Committee and takes appropriate decision. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company’s business and policy decisions of the Company.

5.2 Remuneration to Directors/ Key Managerial Personnel

5.2.1 The remuneration of the Directors/ Managing Directors/ whole time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.

5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors / Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.

5.2.4 The remuneration structure shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options, if any.
- (iv) Commission (Applicable in case of Executive Directors/ Directors)

(v) Retiral benefits

(vi) Annual Performance Linked Incentives

5.2.5 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and Annual Performance Incentives, increment, revision in remuneration etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

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, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs); Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, Phantom Stock Options, etc.

7. Modification and Amendment:

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.