



**Remuneration Policy For
The Board Of Directors,
Committees Of The Board,
And Executive Director**



Preamble:

It is the responsibility and authority of the board of directors to have in place a formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the board and its committees and performing of extra services, including the holding of the office of chairman; the board of ZIL Limited is therefore pleased to formulate following policy for implementation with immediate effect.

1 Scope:

- 1.1 All members of the board of ZIL Limited irrespective of their classification, Executive Directors, Non-Executive Directors, Independent Directors, and Chairman of the Board shall be covered under this policy.
- 1.2 Chief Executive Officer (whether as an elected or nominated member of the board or not) shall also be covered under this policy.

2 Directors Fee for attending the Meetings:

- 2.1 All directors, except Executive Directors and Chairman (if he/she is taking remuneration for holding the office of the chairman), shall be eligible to receive a meeting fee for attending meetings of the board of directors of ZIL Limited or any of its committees.
- 2.2 The fee paid to any director for attending meetings of the board or committee of directors shall not exceed the scale approved by the board in accordance with article of association of the company.
- 2.3 The board, may from time to time, upon its own will or upon recommendation of its HR&R committee, review the amount of fee payable to directors for attending meetings and may revise it as it may deem fit, as provided with the article of association of the company.

Provided that the already approved fee for attending board and its committee meetings at the time of approval of this policy will remain effective and valid till any such revision in future.



- 2.4 The company may also pay to any director all such reasonable expenses as he / she may incur in attending and returning from meetings of the directors or committee of directors or which he/she may otherwise incur in or about business of the company.
- 2.5 The company shall always pay the directors fee through banking channels and after deducting income tax thereon, as applicable at the time of any such payment.

3 Remuneration of Directors:

- 3.1 Director who performs extra services, Executive Director or a Full Time Director shall receive such remuneration (whether by way of salary, benefits, and commission participation in profits, allowances, perquisites, shares etc. or partly in one way and partly in another) as the directors may fix upon recommendation of HR&R committee.
- 3.2 Levels of remuneration shall always be appropriate and commensurate with the level of responsibility and expertise, to attract and retain directors needed to govern the company successfully and to encourage value addition. However, it shall not be at a level that could be perceived to compromise their independence.
- 3.3 The process adopted for determination of director's remuneration shall comply with the provisions of the Companies Act 2017 and the Company's Articles of Association.
- 3.4 Following transparent procedure shall be followed for the determination and payment of directors remuneration including remuneration of holding the office of the chairman or CEO:
 - i. HR&R Committee shall evaluate the adequacy and need for change in the remuneration of any director, and recommend the same to the board for its review and approval.
 - ii. Upon receiving of any such recommendation, the board shall fix the remuneration of any of its director for one year.

Provided further that even after the expiry of one year, the amount so approved by the board, shall remain effective till the next meeting of the board, subject to the approval of Chairman and the fact that any such director is discharging its duties without any discontinuation.



Provided that the remunerations already approved at the time of approval of this policy will remain effective till the expiry of initially fixed one year.

- iii. Upon completion of one year of any such fixation of remuneration, the HR&R committee shall revisit the amount of remuneration and shall again recommend the revision or continuation of previous remuneration, as it may deem fit.

Provided that board may ask HR&R Committee to review and recommend the remuneration of any director or directors before the expiry of usual term of one year.

Provided further that board on its own accord may extend the continuation of same amount of remuneration for another year.

- iv. No director shall engage himself in determination of his/her own remuneration. Whenever any such discussion may arises, the beneficiary directors will leave the discussion room and will not cast his / her vote for or against the proposal, and this act of leaving the discussion room shall specifically recorded in minutes of any such meeting of the board or its committee meeting.
- v. The board or the HR&R Committee may also engage an independent consultant (an individual, a firm or an institute) to recommend an appropriate level of remuneration for consideration and approval of the board, provided that there will not be any compulsion on the board or HR&R committee to accept, recommend or approve any or all of the recommendations of any such independent consultant.
- vi. Appointment and terms and conditions of any such engagement of independent consultant including fee of the consultancy shall also be determined by the board or HR&R committee (as the case may be), or any other person who is duly authorized by the board or HR&R committee for the same.
- vii. The company shall always pay the directors remuneration through banking channels and after deducting income tax thereon, as applicable at the time of any such payment



4 Recommendation for Amendments:

- 4.1 The HR&R Committee of the Board may review and re-evaluate this policy from time to time, as and when it may deem fit, and may recommend any change or improvement in it to the board for its review and approval.

Approval: This policy is approved by the board of directors of ZIL Limited on its meeting held on August 20, 2018 with effect from immediate effects.