



DYNAMATIC TECHNOLOGIES LIMITED

Remuneration Policy

Preamble

- 1.1 The Remuneration Policy (hereinafter referred to as the 'Policy') of Dynamatic Technologies Limited and its Indian subsidiaries (hereinafter collectively referred to as "Dynamatic") is designed to attract, motivate, retain manpower, and improve productivity by creating a congenial work environment, encouraging initiative, personal growth and team work, besides offering appropriate remuneration package. The policy reflects DYNAMATIC's objectives for good corporate governance as well as sustained long term value creation for shareholders.
- 1.2 This Policy applies to Directors, senior management including its Key Managerial Personnel (KMP) and other employees of DYNAMATIC.

Guiding Principle

- 2.1 The guiding principle is that the remuneration and other terms of employment shall be competitive in order to ensure that DYNAMATIC can attract and retain competent executives.
- 2.2 The Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of the DYNAMATIC. When determining the Remuneration Policy and arrangements for Executive Directors/ KMP's, the Nomination and Remuneration Committee ('NRC') considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain relevant in this context.
- 2.3 The NRC 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.



- 2.4 The NRC while considering a remuneration package ensures a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- 2.5 The NRC 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

- 3.1 This Policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013, *inter-alia* principles pertaining to determining qualifications, positives attributes, integrity and independence.

Directors

- 4.1 The Board have decided to pay the Independent directors remuneration in the form of sitting fees for attending Board and allied Committee meetings. The quantum of sitting fee is fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is INR 50,000 for every meeting attended by the Independent Directors.
- 4.2 When considering the appointment and remuneration of Whole Time Directors, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of DYNAMATIC.
- 4.3 The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.
- 4.4 **Minimum Remuneration:** if, in any financial year, the company has no profits or its profits are inadequate, the company shall pay remuneration to whole-time Directors in accordance with the provisions of the Schedule V of the Company's Act 2013, and if it is not able to comply with such provisions, with the prior approval of the Central Government.



Reward Policy

- 5.1 Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The Whole Time Directors' remuneration comprises salary, perquisites, performance based commission/ reward apart from retirement benefits like Provident Fund, Superannuation, Gratuity etc. as per rules of DYNAMATIC.
- 5.2 The Whole Time Directors are entitled to customary non-monetary benefits such as conveyance allowance, house rent allowance, leave travel allowance, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act.
- 5.3 Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance oriented environment and reward achievement of meaningful targets over the short and long term.

Key Managerial Personnel and Senior Management

- 6.1 Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the CEO & Managing Director on recommendation of the Whole Time Director concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises:
- (a) **Fixed Base Salary:** set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
 - (b) **Perquisites:** in the form of house rent allowance, conveyance allowance, reimbursement of medical expenses, telephone, leave travel, etc.
 - (c) **Retirement Benefits:** contribution to PF, superannuation, gratuity, etc. as per Statute.



- (d) **Performance Linked Incentive:** performance appraisal is carried out annually and promotions/ increments/ rewards are decided by CEO & MD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
- (e) **Provident Fund:** contribution made in accordance with applicable laws and employment agreements.
- (f) **Severance Payment:** in accordance with terms of employment, and applicable statutory requirements, if any.

Other Employees

7.1 Remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of Information

8.1 Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

9.1 This Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the Policy can be undertaken only with the approval of the Board of Directors.



Approval of the Remuneration Policy

- 10.1 This Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.
- 10.2 This Policy is binding on the Board of Directors. Any departure from the Policy shall be recorded and reasoned in the Board meeting minutes.

Dissemination

- 11.1 This Policy shall be published on the website at <http://www.dynamatics.com/investor.html>