

## REMUNERATION POLICY

### **1. Introduction**

Geojit Financial Services is an intermediary in the savings and investment segment of India since January 1987. The company always believed its “Employees” to be the most vital component and steps have been taken at all times to ensure that the employees are motivated for improving organizational effectiveness.

One of the important tools at the hands of the Company is an appropriate remuneration structure considering the nature of the Industry. The compensation policy has always served the need for attracting and retaining the best employees. Considering the industry being cyclic and unpredictable in nature the Company always looked at a balancing act by providing fixed and variable monetary and non-monetary benefits to employees.

In pursuance of the Company’s commitment towards good corporate governance, the Company had a Compensation Committee from May 2000 consisting of three Directors of the Board of which two were Independent Directors. Over the years, the Committee was reconstituted periodically with change in members and with adequate representation of independent members. To align with the statutory requirements under the Companies Act 2013 and the Amended Cl.49 of the Equity Listing Agreement, the Board of the Company in its meeting held on 14<sup>th</sup> May 2014 has renamed the existing Compensation Committee as “Nomination and Remuneration Committee”.

### **2. Constitution of the Nomination and Remuneration Committee (NRC)**

The Nomination & Remuneration Committee (NRC) has been constituted by the Board of Directors of the Company in accordance with Section 178(1) of the Companies Act, 2013.

### **3. Applicability of the Policy**

This Policy is applicable to:

- Directors (both Executive & Non-Executive)
  
- Key Managerial Personnel (Chairman & Managing Director Executive Directors, Chief Financial Officer, Company Secretary)
  
- Senior Management  
    **“Senior Management”** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the Board of Directors, by the listed entity.
  
- All other employees

#### **4. Types of Remunerations and role of NRC**

The NRC shall ensure that the level and composition of remuneration to the Directors, KMPs, SMPs and employees of the Company are reasonable and sufficient to attract, retain and motivate quality manpower required to run the company successfully. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance etc of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario, business environment and remuneration package of the industry. The current structure of remuneration as detailed below shall be reviewed by NRC periodically to ensure its adequacy.

- I. Direct Remuneration refers to monetary benefits offered to employees, in return for the services they provide to the organization. The monetary benefits include fixed salary consisting of Basic Salary, allowances, perquisites and statutory contributions. The Direct Remuneration may be designed keeping in mind the industry standards and follows a minimum remuneration benchmark. Indirect Remuneration refers to non-monetary benefits offered to employees with some benefits extended to dependent family members, so that employees enjoy work-life balance. It includes additional holidays and leave over and above the statutory requirements, Leave travel reimbursement, , annual Executive medical check-up for employee and spouse, corporate mobile connection, subsidized meals, soft loans, group medical insurance, group personal accident insurance etc.
- II. Strategic Remuneration consists of compensation packages determined and provided to the employees that are aligned with the business goals and objectives. Keeping abreast with today's competitive scenario, company has taken special measures regarding compensation of the employees so that it can retain valuable employees. The remuneration includes:
  - **Quarterly and Annual Incentives:** based on individual and team performance and also on the profitability of the Division/Company.
  - **Profit sharing Bonus to Senior Management personnel:** paid annually as a percentage of the net profits of the Company subject to consistent performance.
  - **Merit Raise; by way of Promotions and salary hikes** for exceptional performance of employees
  - **ESOSs:** given to employees in recognition for their performance and for their association with the company.

#### **5. Remuneration of Non-Executive Directors**

1. The Non-Executive Directors of the Company (both promoter director/independent director) shall be paid sitting fees for the meetings that they attend.
2. The Non-Executive Directors shall be reimbursed reasonable costs for attending meeting of the board and committees thereof.

#### **6. Remuneration of Chairman & Managing Director**

The Managing Director of the Company shall be paid remuneration as approved by the Shareholders on the recommendation of the Board and Nomination & Remuneration Committee. It shall consist of direct remuneration, indirect remuneration and also a strategic

remuneration based on the performance of the Company which shall be in accordance with the provisions of the Act.

**7. Remuneration of KMPs and SMPs**

The remuneration to KMPs and SMPs shall include direct remuneration and indirect remuneration primarily. Strategic remuneration appropriate to the performance of KMPs and SMPs will be paid subject to the prevailing policy.

**8. Remuneration of Other Employees**

The remuneration to employees other than KMPs and SMPs shall include direct remuneration, indirect remuneration and strategic remuneration which can be Performance Linked and/or Profit linked incentive. These incentives include quarterly Incentives and consistent performers are also rewarded with Annual incentives and other strategic remuneration.

**9. Effective Date of the Policy**

The Policy shall be effective from is 1<sup>st</sup> April 2014