

JASCH GAUGING TECHNOLOGIES LTD
REMUNERATION POLICY

PART A

1. Preamble

In accordance with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act 2013, the Board of Directors of the Company is required to constitute a Nomination & Remuneration Committee to recommend to the Board a policy relating to remuneration for directors, key managerial personnel and other employees. Accordingly, the Nomination & Remuneration Committee constituted by the Board, hereby recommends the following policy to the Board.

2. Guiding principles for remuneration applicable to the employees

The guiding principles for fixation of remuneration of employees are as follows :

- 2.1 The remuneration will be based on the qualifications, experience and personality traits of the employees.
- 2.2 The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate of the employees of the quality required to run the company successfully;
- 2.3 The Company will endeavor to match the remuneration of of the employees as per best industry standards.
- 2.4 Relationship between remuneration to performance will be clear and will meet appropriate performance benchmarks.

PART B

3. POLICY ON REMUNERATION TO KEY MANAGERIAL PERSONNEL

This part (Part B) of the Policy concerns the remuneration to Managing Director, Whole Time Directors, Company Secretary and Chief Financial Officer (Collectively known as Key Managerial Personnel or “KMPs”). This part of the policy does not concern other executives of the Company. As required by law, the remuneration to KMPs will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals and will be as follows:

3.1 Basic pay : The basic pay of KMPs shall be fixed by the Nomination & Remuneration Committee keeping in view individual executive's qualifications, experience, responsibilities, functions and industry practices. NRC may grant suitable annual increments to key managerial personnel, keeping in view their individual performance, company performance, industry practice and inflation.

3.2 Variable pay, incentive schemes/pay and relation between fixed and variable components of the remuneration and the linkage between performance and remuneration: In order to motivate the KMPs to perform their best, they will be paid incentive pay equivalent to 0.5% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013 provided that such incentive will not be less than 10% and will not be more than 25% of their respective fixed annual pay.

3.3 Other benefits and principal terms of employment, notice of termination and severance pay:

Other benefits

- 3.3.1 All KMPs will be entitled to a Special Allowance equivalent to six months' salary in a year, to cover housing, conveyance, medical, electricity, gas, water and other personal expenses.
- 3.3.2 All KMPs will be entitled to customary non-monetary benefits such as subsidized health care insurance/medical, mobile phone and telephone at residence and gratuity as per law. Benefit of chauffeur driven car may be provided at the discretion of the management.
- 3.3.3 All KMPs will be entitled one month's paid leave during a financial year or encashment in lieu thereof.
- 3.3.4 All KMPs will be entitled to Leave Travel Concession (or encashment in lieu thereof) for self and family members once during a block of four years, subject to the condition that such concession shall not exceed one month's fixed pay.
- 3.3.5 In case any KMP has given a personal guarantee for securing financial assistance from banks/financial institutions, then such KMPs will be entitled to a guarantee commission at a rate to be determined by the Nomination & Remuneration Committee.
- 3.3.6 In case any KMP has provided any loan to the Company, then such KMP will be entitled to receive interest thereon at an annual rate 1% below the rate at which the Company has borrowed from the bank(s).
- 3.3.7 Appointments of KMPs will be terminable at either end, by giving three months' notice in writing.
- 3.3.8 To attract and retain the KMPs for longer years, all KMPs who have put in a minimum of 15 years of continuous service ("qualifying service") in the Company, will be entitled to severance pay calculated @ half month's pay for each completed year of qualifying service, on their attaining the age of superannuation or on termination of their service otherwise for misconduct. Any part of the year exceeding 182 days will be treated as full year.
- 3.3.9 Notwithstanding anything contained in this Remuneration Policy, the total gross emoluments of Managing Director and whole time directors shall not exceed the limits prescribed under law.
- 3.3.10 The remuneration will be suitably bifurcated for tax management purposes and will be subject to applicable tax deduction at source.

PART C

4. POLICY ON REMUNERATION TO DIRECTORS

All non-executive directors will be paid such sitting fee for attending the Board and Committee Meetings, as may be approved by the Board of Directors. Besides sitting fee, they will be entitled to reimbursement of reasonable out of pocket expenses incurred in connection with attending these meetings.

PART D

5. POLICY ON REMUNERATION TO OTHER EMPLOYEES

All other employees will be paid pay and allowances as per HR policy of the Company, which shall be in accordance with guiding principles laid down in para 2 of part A of this policy.

PART E

6. IMPLEMENTATION AND AMENDMENTS:

6.1 Responsibility for adhering to this policy: It will be the responsibility of the Managing Director to adhere to this policy. He will periodically affirm to the Committee/Board that this policy is being followed.

6.2 Policy to be changed only on the recommendation of NRC:

This policy will be reviewed by the Nomination & Remuneration Committee from time to time and the Committee will recommend to the Board of Directors amendments, if any, in the policy. However, the policy shall not be changed to the detriment of a KMP without his/her consent.

SHRI BHAGWAN GUPTA
CHAIRMAN NRC

NEETU
MEMBER NRC

OM PRAKASH GARG
MEMBER NRC