

# **REMUNERATION POLICY OF BASILIC FLY STUDIO LIMITED**

(Approved by the Nomination and Remuneration Committee and the Board of Directors in the meeting dated 9<sup>th</sup> March 2025)

## **1. INTRODUCTION**

This Remuneration Policy is framed in compliance with Section 178(3) of the Companies Act, 2013 and the applicable rules, along with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (for listed companies). It aims to ensure that the remuneration of Directors, Key Managerial Personnel (KMP), and other employees is fair, competitive, performance-driven, and aligned with the long-term interests of the Company and its stakeholders.

## **2. OBJECTIVES**

The key objectives of this policy are:

- To establish a transparent process for determining remuneration.
- To attract, retain, and motivate high-caliber individuals for effective management.
- To ensure a balance between fixed and variable pay, aligning remuneration with performance.
- To comply with all applicable laws, regulations, and best corporate governance practices.

## **3. SCOPE & APPLICABILITY**

This policy applies to:

- Board of Directors (Executive and Non-Executive, including Independent Directors)
- Key Managerial Personnel (KMP) (as per Section 2(51) of the Companies Act, 2013)
- Senior Management & Other Employees (as per the definition provided by the Company)

## **4. REMUNERATION STRUCTURE**

### **A. Remuneration to Executive Directors (Managing Director, Whole-Time Director, etc.)**

#### **Fixed Pay:**

- A competitive and industry-aligned fixed salary based on experience, expertise, and responsibilities.
- Includes basic pay, allowances, perquisites, and retirement benefits as per Company policy.

#### **Variable Pay (Performance-Based Incentives):**

- Performance-linked incentives based on Company and individual performance.
- May include a profit-linked commission, stock options (ESOPs), and bonuses.

**Other Benefits:**

- Reimbursement of expenses, leave encashment, provident fund, gratuity, etc. as per Company policy and applicable laws.

**Tenure & Termination:**

- Governed by the Companies Act, 2013, SEBI regulations, and employment contract.

**B. Remuneration to Non-Executive Directors (NEDs) & Independent Directors****Sitting Fees:**

- Paid for attending Board and Committee meetings as per limits prescribed under the Companies Act, 2013.
- Reviewed periodically in accordance with industry benchmarks.

**Reimbursement of Expenses:**

- Travel, accommodation, and other expenses incurred for attending Board/Committee meetings or Company-related activities.

**Stock Options (ESOPs):**

- Independent Directors are not eligible for ESOPs as per SEBI regulations.

**C. Remuneration to Key Managerial Personnel (KMP) & Senior Management****Fixed Salary:**

- Determined based on industry benchmarks, skillset, experience, and responsibilities.

**Performance-Linked Pay:**

- Annual performance-linked incentives based on individual and business unit performance.

**Long-Term Incentives:**

- Stock options (where applicable) as part of a long-term wealth creation plan.

**Other Benefits:**

- Health insurance, gratuity, provident fund, superannuation, and retirement benefits as per Company norms.

**D. Remuneration to Other Employees**

Compensation is determined based on:

- Role, experience, and market benchmarks.
- Performance evaluations and business profitability.

Includes:

- Fixed salary, variable pay, performance-based incentives, retirement benefits, and other allowances.

## **5. GOVERNANCE & REVIEW MECHANISM**

The Nomination and Remuneration Committee (NRC) shall:

- Periodically review and recommend remuneration structures to the Board.
- Ensure compliance with legal and regulatory frameworks.
- The Board shall approve and implement any amendments recommended by the NRC.
- The NRC will ensure that the policy is aligned with the Company's goals, competitive market practices, and stakeholder expectations.

## **6. DISCLOSURE & COMPLIANCE**

The details of this Remuneration Policy and individual Director's remuneration shall be disclosed in:

- Board's Report as per Section 178(4) of the Companies Act, 2013.
- Annual Report as per SEBI (LODR) Regulations, 2015.
- Corporate Governance Report for listed companies.
- The NRC shall ensure that all provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and Income Tax Act are adhered to.

## **7. AMENDMENT & DEVIATIONS**

- The Board may, on the recommendation of the NRC, amend this policy at any time.
- Deviations from this policy are permitted only in exceptional cases, subject to Board approval and legal compliance.

**Approved by:**

**Nomination & Remuneration Committee**

**Basilic Fly Studio Limited**