



**Allcargo Gati Limited**  
**(Formerly known as “Gati Limited”)**  
CIN: L63011MH1995PLC420155

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**Remuneration policy**

The Nomination and Remuneration (N&R) Committee deals with the manner of selection of Board of Directors, Managing Director and Senior Management and their remuneration.

### **1. Criteria of Selection of Non-Executive Directors**

i. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of business, marketing, finance, taxation, law, governance and general management.

ii. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

iii. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

iv. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Desired age and Diversity of the Board.
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mind-set.

v. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### **2. Remuneration policy for Non-Executive Directors**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;

iii. The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board;

iv. The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;

- v. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director;
- vi. The N&R Committee may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee of the Board subject to a ceiling on the total commission payable as may be decided;
- vii. In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission, as may be recommended to the Board by the N&R Committee;
- viii. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company as computed under Section 197 of the Companies Act 2013;
- ix. The commission shall be payable on prorata basis to those Directors who occupy office for part of the year;
- x. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company.

### **3. Criteria for selection/appointment of Managing Director**

For the purpose of selection of the Managing Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, or other applicable laws.

### **4. Remuneration policy for the Managing Director**

- i. At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director, within the overall limits prescribed under the Companies Act, 2013;
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting;
- iii. The remuneration of the Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus;

iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

- a) The relationship of remuneration and performance benchmarks is clear;
- b) Balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- c) Responsibility required to be shouldered by the Managing Director, the industry benchmarks and the current trends;
- d) The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

#### **5. Criteria for selection/appointment of Senior Management Employees**

For the purpose of selection of the senior management employees, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

#### **6. Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees the N&R Committee shall ensure / consider the following:

- i. The relationship of remuneration and performance benchmark is clear;
- ii. The balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. The remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

The Committee also plays the role for administering the Stock Option Plan of the Company and determining eligibility of employees for stock options.

The committee also undertake any other matters as the Board may decide from time to time.