

# **MAX INDIA LIMITED**

(formerly 'Taurus Ventures Limited')

## **APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")**

### **Preamble**

In terms of Section 178 of the Act, the Nomination & Remuneration Committee ("NRC") shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP") and other employees.

### **Appointment Criteria and Qualification**

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the Company. For this purpose, the NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

### **Remuneration Policy**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act with respect to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

### **Objective**

Attract, motivate, and retain key talent by enabling sustenance of a high performance culture with differentiated rewards for high performers who live by the values of the Company.

The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

### **Applicability**

This Policy applies to full time employees of the Company including Senior Management and Executive Directors.

### **Guiding principle**

Our compensation programs, practices and policies are reviewed and re-evaluated periodically.

### **Remuneration linked to level of job responsibility, individual performance and company performance**

- At higher levels of responsibility where direct imprint on business results and strategy is higher an increasing proportion of pay will be linked to business performance and creation of shareholder value.

- Strong differentiation in fixed pay increases and variable pay for top performers
- With a view to balancing the twin objectives of pay-for-performance and retention, the programs would ensure retention and motivation of high performers

**Balance long-term focus linked to shareholder value and short-term financial objectives.**

- Equity-based remuneration would be higher for those at higher levels of responsibility and influence on long-term results
- Annual variable pay as a reward for achievement of short-term performance goals that support and ensure long-term success

**Reflect value of job in the marketplace.**

- Remain competitive with the pay of other employers who compete with us for talent in the relevant markets to attract and retain a highly skilled workforce
  - **Fixed Pay increase** : Top performers would receive 1.5 to 2 times the increase awarded to performers who meet expectations
  - **Annual Variable Pay** : Top performers would receive 2 times the rate of variable pay for performers who meet expectations
  - **Award of Long Term Incentives / ESOPs** : Taking into account individual performance, potential, criticality of the role / individual for the Company, relative market worth & assessed retention value, inputs from the management team, the MD would recommend award of ESOPs

**Performance Management & Remuneration**

- Remuneration decisions are based on the outcomes of the annual performance review process, based on the G & M framework. The performance evaluation process has four key steps – Self Evaluation, Manager Evaluation, Potential / Readiness Assessment and Developmental Planning
- Performance is assessed at two levels – Goals (G Review) and Competencies (M Review)
- G Rating determines Variable Pay, M Rating determines Fixed Pay increase
- Performance ratings are normalized in cohorts to adhere to an overall normal distribution

**Potential, Development & Readiness**

- Performance Review, Career Aspirations - Feb. / March
  - Individual and manager discussions
- Multi rater feedback - July
  - Feedback for individuals using a 360 survey process once in 2 years
  - Annual Engagement survey providing feedback on organization and people managers

- Development Planning & Mid-year performance review - Sept.
  - Basis performance review discussions, inputs from Hogan assessment & 360 feedback
  - Organization wide Talent and Succession planning & review - Oct. / Nov.
  - In depth functional planning & review including inputs from 360, engagement survey, supervisor, peer feedback, development planning
  - Organization wide consolidation
- The above is a key input for the annual & long term strategic business planning in Dec./Jan.

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