



**REMUNERATION POLICY FOR  
DIRECTORS, KEY MANAGERIAL  
PERSONNEL AND OTHER  
EMPLOYEES**



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**LOTUS CHOCOLATE COMPANY LIMITED**  
**REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL**  
**AND OTHER EMPLOYEES**

1. Introduction:

1.1 Lotus Chocolate Company Limited ("the Company") recognises the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the talent, to run the company successfully.

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 **"Director"** means a director appointed to the Board of the Company.

3.2 **"Key Managerial Personnel"** means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 **"Nomination and Remuneration Committee"** means the committee constituted by the Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities



and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy:

**4.1 Remuneration to Executive Directors and Key Managerial Personnel**

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall generally include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Retiral benefits
- (iv) Annual Performance Incentive

**4.2 Remuneration to Non-Executive Directors**

4.2.1 The Board on the recommendation of the NRC shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the Board of Directors and / or shareholders.

4.2.2 Independent Directors shall be entitled to sitting fees for attending the meetings of the Board, the Committees thereof and others.

**4.3 Remuneration to other employees**

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.