

UFO MOVIEZ INDIA LIMITED

Regd. Office: Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093

Tel: +91 22 40305060 Fax: +91 22 40305110

Email: corporate@ufomoviez.com

Website: www.ufomoviez.com;

CIN: L22120MH2004PLC285453

NOMINATION AND REMUNERATION POLICY

Document History:

Date of Board Approval	Effective Date	Summary
27 th March, 2015	27 th March, 2015	The Nomination & Remuneration Policy (NRC Policy) adopted by the Board as recommended by the Nomination & Remuneration Committee.
26 th May, 2016	26 th May, 2016	Amendment for addition of clause pertaining to giving salary advance and loans to employees.
17 th May, 2017	17 th May, 2017	Amendments for updating the policy in line with the current applicable regulations.
13 th January, 2022	13 th January, 2022	Amendment for payment of sitting fees to the Non – Executive Directors alongwith other changes pursuant to the amendments to the applicable laws.

NOMINATION AND REMUNERATION POLICY

1. Preface:

- a) The Company considers human resources as one of its most valuable assets. Its objective is to pay such remuneration to its employees as is commensurate with the employees' role and responsibilities and the performance of each of its employees in the Company.
- b) This Nomination and Remuneration Policy (this "**NR Policy**") has been formulated, inter alia, for nomination and remuneration of Directors, Key Managerial Personnel ('**KMP**'), Senior Management Personnel and Other Employees of UFO Moviez India Limited (hereinafter referred to as the "**Company**"), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Objectives of this NR Policy:

- a) To lay down criteria for identifying persons who are qualified to become Directors, KMPs, Senior Management Personnel and Other Employees of the Company.
- b) To lay down criteria to carry out evaluation of every Director's performance.
- c) To formulate criteria for determining qualification, positive attributes and independence of a Director.
- d) To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and Other Employees to work towards the long term growth and success of the Company.

3. Definitions:

- a) "**Board**" means the Board of Directors of the Company.
- b) "**Companies Act, 2013**" means the Companies Act, 2013 and the rules thereunder, as amended.
- c) "**Company**" means UFO Moviez India Limited.
- d) "**Directors**" means the directors of the Company.
- e) "**Key Managerial Personnel**" or "**KMP**" means:
 - (i) Managing Director; or Chief Executive Officer; or Manager;
 - (ii) Company Secretary;
 - (iii) Whole-time Director;

- (iv) Chief Financial Officer; and
 - (v) Such other officers as may be prescribed under the Companies Act, 2013.
- f) **“SEBI LODR Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- g) **“NR Committee”** means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board from time to time.
- h) **“Other Employees”** means all the employees of the Company other than the Directors, KMPs and the Senior Management Personnel.
- i) **“Senior Management Personnel”** means the personnel of the Company who are members of its core management team excluding the Directors and KMPs comprising of all members of the management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary, chief financial officer and functional heads.

4. NR Policy: This NR Policy is divided into three parts as follows:

A. The criteria for identifying persons who are qualified to be appointed as Directors / Committee Members / KMPs / Senior Management Personnel / Other Employees of the Company:

- i. **Directors:** Section 164 of the Companies Act, 2013 specifies the disqualifications for appointment of director of any company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as a Director of the Company.

NR Committee of the Board of Directors of the Company shall identify the persons who are qualified to become directors and recommend to the board their appointment / re-appointment.

- ii. **Independent Directors:** For appointing any person as an independent Director, he/she should possess qualifications as mentioned in Section 149 of the Companies Act, 2013, Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and in the SEBI LODR Regulations.

NR Committee of the Board of Directors of the Company shall identify the persons who are qualified to become independent directors and recommend to the board their appointment / re-appointment.

- iii. **Committees of the Board:** The NR Committee shall determine the criteria for selection of the Board Committee members and recommend to the board the members to be appointed to various committees.
- iv. **KMPs, Senior Management Personnel and Other Employees:** The Company has an Organogram displaying positions of Senior Management Personnel including KMP and other positions, in accordance with the minimum qualifications and experience requirements and any other criteria that have been laid down by the Committee for each such position. Any new employee in the Company has to match the requirements prescribed in the Organogram of the Company.

The selection of KMPs and Senior Management Personnel shall be done by the Human Resource Department of the Company after obtaining approval of the Managing Director / Joint Managing Director.

The details of appointment and cessation of KMPs and Senior Management Personnel shall be placed before the Committee periodically.

The selection of other employees shall be done by the Human Resource Department of the Company after obtaining approval of the functional head of the respective department.

The term/tenure of Directors / KMPs / Senior Management Personnel / Other Employees shall be as per the provisions of the Companies Act, 2013, the SEBI LODR Regulations, any prevailing policies of the Company, and the terms of any appointment letters issued to them by the Company.

B. Determination of the composition and level of remuneration:

- i. **Structure of remuneration for the Executive Directors, KMPs and Senior Management Personnel:**
 - a. The Executive Directors, KMPs and Senior Management Personnel (other than non-executive Directors) receive Basic Salary and other Allowances/Perquisites/Benefits such as leave travel concession, medical reimbursement, club fees, company car and driver and fuel and maintenance for company car. They are also entitled to provident fund, gratuity, group term life insurance, group mediclaim insurance and group personal accident insurance. The total salary includes fixed and variable components.
 - b. The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:
 - The scope of duties, the role and nature of responsibilities.

- The level of skill, knowledge and experience of individuals.
- Core performance requirements and expectations of individuals.
- The Company's performance and strategy.
- Legal and commercial obligations and considerations.
- The table below depicts the standard components of remuneration package.

Fixed Component		
Basic Salary	Allowances /Perquisites / Benefits such as leave concession, medical reimbursement, club fees, company car and driver, fuel and maintenance for company car, group term life insurance, group mediclaim insurance and group personal accident insurance.	Superannuation/ statutory contributions to provident fund and group gratuity scheme.

The Executive Directors (except Promoter-Executive Director), KMPs and Senior Management Personnel may also hold and be entitled to stock options of the Company.

- The Committee shall recommend the remuneration of Executive Directors to the Board for its approval, which will also be approved by the shareholders. The break-up of the remuneration or any modification to the remuneration shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders.
- The Committee shall recommend the remuneration of KMPs and Senior Management to the Board for its approval.

ii. Structure of Remuneration for Non-executive Directors

- Independent Directors are paid remuneration in recognition of the responsibilities, accountability and associated risks of Directors. The total remuneration of Independent Directors may include all or any combination of elements mentioned below:
 - Fees for attending meetings of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.

2. Fees for attending meetings of committees of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
3. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and any other remuneration decided by the Board/shareholders from time to time to be payable to any of the Independent Directors.

The Independent Directors are also entitled to reimbursement / payment of travel and other expenses they incur for attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees. The said expenses will not form part of the total remuneration paid to the Independent Directors.

Independent Directors shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and the SEBI LODR Regulations.

- b. Non - Executive Directors (other than Independent Directors) appointed by the Board may be paid sitting fees for attending meetings of the Board / Committees of the Board as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the meeting of the Board.
- iii. The managerial remuneration payable by the Company shall be subject to the conditions specified under the Companies Act, 2013 and the SEBI LODR Regulations, including in terms of monetary limits, approval requirements and disclosure requirements. Any increase in the maximum aggregate remuneration payable beyond the permissible limit under the aforesaid regulations shall be subject to the approval of the shareholders of the Company at a General Meeting.
- iv. Structure of Remuneration for Other Employees: The power to decide the structure of remuneration for Other Employees has been delegated to the HR Department of the Company.

Employees of the Company (excluding Managing Director or Whole-time Director) may be paid salary advance and loans etc. as per the Company's HR policies.

C. Criteria for evaluating performance of Board members, Key Managerial Personnel, Senior Management Personnel

- i. **Criteria for evaluating performance of Board members:** Section 149 of the Companies Act, 2013 read with Schedule IV of the Act read with SEBI LODR Regulations states that (i) the independent directors shall, at their separate meeting, review the performance of non-independent directors and the Board as a whole and (ii) the performance evaluation of independent directors shall be done by the entire Board excluding the director(s) being evaluated.
The performance evaluation of the Managing Director and the Joint Managing Director is carried out by the Board on the basis of performance management system and development plan of the Company. The forms for performance evaluation shall be finalised as per the advice of the Chairman of the NR Committee based on the applicable regulations as amended from time to time.
- ii. **Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:** The performance evaluation of KMP (excluding board members) and Senior Management Personnel is carried out by the Managing Director or the Joint Managing Director on the basis of performance management system and development plan of the Company.
- iii. **Criteria for evaluating performance of Other Employees:** The power to decide criteria for evaluating performance of Other Employees has been delegated to the HR Department of the Company.

5. Communication of this NR Policy: A copy of this NR Policy shall be handed over to all Directors within one month from the date of approval by the Board. This NR Policy shall also be posted on the website of the Company and the details of this NR Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.

6. Amendment: Any change in this NR Policy shall, on recommendation of NR Committee, be approved by the Board. The Board shall have the right to withdraw and / or amend any part of this NR Policy or the entire NR Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.
