

# *Eicher Motors Limited*

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## *Remuneration/Compensation Policy*

Eicher Motors Limited's ('EML' or 'the Company') Compensation Strategy defines the values underlying compensation philosophy for its employees. Compensation is a critical piece of overall human-resources strategy and more broadly refers to all forms of financial returns and tangible benefits employees receive as a part of their employment relationship.

The Remuneration/Compensation Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

The compensation strategy revolves around getting the "best talent in the market".

### **Remuneration/Compensation Policy**

\*The remuneration of the Managing Director, Executive Director, Key Managerial Personnel (KMPs) and CXOs of the Company is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities and performance assessment. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components).

^Loans/advances may be extended to employees for various personal purposes or to aid business functions, from time to time, on a case to case basis, in accordance with the relevant Human Resource guidelines/policies in force or as may be approved by the Chief Financial Officer, the Chief Human Resource Officer of the Company, or any person authorized by them, including for relocation viz. school deposits/expenses, travel/logistics expenses, housing advance, housing deposits/brokerage, any other expenses towards relocation; advance submission of tax deducted at source by the Company on behalf of employee; advance towards medical insurance premiums; loans granted to enable grantees exercise ESOPs and towards deposit of perquisite tax thereon; loans/advances covered under Employees Union recognized by Company as per Union Agreement; medical emergency advances etc.

Additionally, in the event of exigencies arising due to calamities, the Company may provide financial assistance to any affected employee by way of extending interest free loan in an amount not exceeding his/her two months' gross salary.

\*Remuneration by way of commission to the Non Executive Directors shall be decided by the Board of Directors within the ceiling of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act and as approved by the members from time to time by passing a resolution in the general meeting.

\*Remuneration of KMPs and employees largely consists of basic remuneration, perquisites, allowances, performance incentives and employee stock options granted pursuant to the Employees Stock Option Plan of the Company. The components of remuneration vary for different employee

levels and are governed by industry patterns, qualifications and experience of the employee and his/her responsibility areas, employee performance assessment etc.

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\*amended by the Board at its meeting held on October 28, 2016.

^ amended by the Board at its meeting held on February 11, 2019.

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