



REMUNERATION POLICY

I. CONTEXT

The purpose of this Policy is to guide the Board in regard to:

- a) Evaluate the performance of the members of the Board;
- b) The remuneration of the Board, Key Managerial Personnel and other employees to reflect short and long term performance objectives; and
- c) Overall compensation approach to retain and attract talent.

II. DEFINITIONS

“Board” means Board of Directors of the Company.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

“Company” means Aurigene Discovery Technologies Limited.

“Director” means Directors of the Company.

“Employee” means any person, including officers who are in the permanent employment of the Company.

“Independent Director” shall mean a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” is as defined under the Companies Act, 2013 and means

- a) the Chief Executive Officer or the Managing Director or the Manager [having ultimate controls over affairs of the company];
- b) the Company Secretary;
- c) the Whole-Time Director;
- d) the Chief Financial Officer; and
- e) such other officer as may be prescribed under the applicable statutory provisions/regulations from time to time.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

III. APPLICABILITY

This policy is applicable to the following:

- Directors (Non-Executive and Independent)
- Key Managerial Personnel (KMPs)
- Senior Management Personnel
- Other Employees

IV. EVALUATION OF DIRECTORS

The Committee shall carry out performance evaluation of every Director annually, on such parameters as it may deem fit.

V. REMUNERATION OF DIRECTORS, KMPs AND OTHER EMPLOYEES

The Committee shall recommend to the Board for their approval, any remuneration to be paid the Directors. The Committee will separately review and approve the remuneration to be paid to KMPs.

The key principles for each of the positions are outlined below:

Directors -The Directors shall receive remuneration by way of sitting fees and reimbursement of expenses for attending meetings of Board or Committee thereof. In addition, the Directors shall be eligible to receive profit related commission, as may be approved by the shareholders of the Company. Independent Directors shall not be entitled to any stock options.

KMPs/Senior Management Personnel/Other Employees – The Remuneration to be paid to KMPs/Senior Management Personnel/Other Employees shall be based on the experience, qualification and expertise of the talent. The compensation will be the balance of fixed pay, variable pay and/or Performance Based Incentive Plans.

The Company may periodically review the compensation and benefits at all levels to ensure that the company remains competitive and is able to attract and retain desirable talent. The Committee may review the overall compensation approach for employees and suggest changes, if required.

VI. CONFIDENTIALITY

The members of the Nomination and Remuneration Committee may not disclose, in particular, the information contained in the confidential reports they receive or the contents of confidential discussions.

They shall also ensure that any employees appointed to support them likewise comply with this rule.

VII. REVIEW

This policy will be reviewed at appropriate time, as decided by the Committee. The utility and interpretation of this policy will be at the sole discretion of the Committee.