

Extract of Remuneration Policy

1. OBJECTIVE

This Policy aims to attract, retain and motivate the Members of the Board of Directors, Key Managerial Personnel and Senior Management of the Company. Further, the policy lays down the criteria / guiding principles for compensation package of Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

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

2. GUIDING PRINCIPLES

The guiding principle of this Policy is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

While designing the remuneration package, efforts are to be made to ensure that the remuneration matches the level in comparable companies, whilst also taking into consideration requisite competencies, qualifications, industry experience, efforts required and the scope of the work.

Further, the compensation package for Directors, KMPs and other employees are designed based on the following principles:

- a. Aligning KMP and board remuneration with the longer term interests of the company and its shareholders.
- b. Link to long term strategy and annual business performance of the company on key business drivers
- c. Develop a culture of meritocracy.
- d. Minimise complexity and ensure transparency
- e. Reflective of line expertise, market competitiveness so as to attract the best talent.

The Nomination and Remuneration Committee while considering a remuneration package shall ensure that it reflects short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee believes that a successful remuneration policy must ensure that a significant part of the remuneration package should be linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

2.1. Remuneration of Executive Members on the Board:

Subject to the recommendation of the Nomination and Remuneration Committee / Board of Directors and approval by the Members of the Company from time to time, any Executive Member(s) on the Board shall be paid remuneration which shall comprise of fixed monthly basic salary, perquisites such as House Rent Allowance or furnished / unfurnished housing accommodation in lieu thereof, car with or without chauffeur, telephone for office as well as personal use, reimbursement of medical expenses, leave travel allowance, statutory and non-statutory allowances such as education allowances, personal allowances, travel allowances, subscription allowances etc.

In respect of any financial year, the overall managerial remuneration payable by the Company including the remuneration payable to an Executive Director, if any, shall not exceed 11% of net profits of the Company for that financial year. However, the overall managerial remuneration, where there are more than one managerial personnel, shall not exceed 10% of the net profit calculated in the manner provided under the Companies Act, 2013 and Rules framed thereunder, and shall not exceed 5% in case there is only one. The overall remuneration shall be within the limits provided in the Act and subject to approval of the Central Government, if payment of remuneration is in excess of the limits provided in the Act.

In the event of loss or inadequacy of profit in any financial year during the tenure of services, the Company shall make payment of remuneration within the applicable limits prescribed under the Companies Act, 2013 and Rules framed thereunder, as amended from time to time. The remuneration shall be subject to necessary approvals including the approval of the Central Government, if payment of remuneration is in excess of the limits provided in the Act.

Executive Members of the Board, if any, other than the Managing Director, shall be employed under service contracts for a period not exceeding 3 (three) years at a time, on the terms & other conditions as recommended by the Nomination and Remuneration Committee and approved by the Members of the Company at the General Meeting(s). The term of appointment of Managing Director shall be fixed at 3 (three) years and may be re-appointed for such further terms. Executive members of the Board shall not be eligible to receive any sitting fees for attending any meeting of the Board of Directors or Committee thereof.

2.2. Remuneration of Non-Executive Members of the Board:

The Non-Executive member(s) of the Board shall be paid sitting fees for attending the meetings of the Board and / or Committees thereof and reimbursement of expenses for participation in the Board and other meetings. The Board shall decide the sitting fee payable to the Director which shall be subject to the limits prescribed under the applicable laws. Independent Director(s) of the Company shall not be entitled to any stock option of the Company. The performance of the non-executive members of the Board shall be reviewed by the Board on an annual basis.

2.3 Remuneration of Executive Management comprising of Key Managerial Personnel, Senior Management and other employees:

The compensation for the Key managerial personnel, senior management and other employees at Dish TV would be guided by the external competitiveness and internal parity through annual benchmarking.

The performance-linked incentive based on Company performance and performance of the employee concerned each year shall be considered and approved by the Nomination and Remuneration Committee. Additionally, The Nomination and Remuneration Committee of the Board of the company, *inter alia*, administers and monitors the ESOPs of the company in accordance with the applicable SEBI Guidelines.

Internally, performance ratings of all Employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine Merit Pay increases. Merit pay increases will be calculated using a combination of individual performance and organizational performance. Compensation can also be determined based on identified skill sets critical to success of the Company. It is determined as per management's review of market demand and supply.

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization

The Nomination and Remuneration Committee will from time to time consider proposals concerning the appointment and remuneration of the Key Managerial Personnel and ensure that the proposed remuneration is in line with industry standards in comparable companies. Such proposals then shall be submitted to the Board for approval. The remuneration of the employees may consist of the following components:

- Basic salary and Allowances
- Performance linked incentive / bonus
- Stock options
- Perquisites as per rules of the Company including Company car, telephone etc.

Executive Management shall not be eligible to receive any remuneration, including sitting fees, for directorships held in any of the Essel Group of Companies, whether listed or otherwise.

3. AMENDMENTS

The Nomination and Remuneration Committee shall periodically review the Policy and carry out such changes as may be required, including changes mandated on account of change in governing regulations.