

ASHOKA BUILDCON LIMITED

REMUNERATION POLICY

The Remuneration Policy ("**Policy / this Policy**") of Ashoka Buildcon Ltd. (the "Company") is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for the stakeholders.

The Policy applies to the Company's Board of Directors, Senior Management, including its Key Managerial Person (KMP).

"Senior Management" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the board and shall specifically include company secretary and chief financial officer.

Guiding principle

The guiding principle is that the remuneration and the other terms of the employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

Remuneration Policy

The Nomination and Remuneration Committee of the Board of Directors of the Company recommends to the Board the remuneration package of the Executive Directors and also the compensation payable to the Non-Executive Directors of the Company in accordance with the provisions contained in the Companies Act, 2013. The Management of the Company has been empowered to consider and approve the remuneration package of KMPs viz. Chief Financial Officer and Company Secretary as per the HR Policy of the Company.

Criteria of making payments to Non-Executive Directors

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time.

The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company from time to time.

Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

Under the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, requires every company to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report. Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 require the prior approval of the shareholders of a company for making payment to its NEDs.

In view of the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

Sitting Fee:

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee/s thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board; and

Commission:

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other, maximum up to 1% of its net profit or 3% of its net profits, whether there is Managing Director / Manager / Whole-time Director is appointed or no such appointment is made resp.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board. However the Company is not obligated to remunerate its NEDs.

Reimbursement of actual expenses incurred:

NEDs may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending the meetings of the Board/Committees.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the remuneration of NEDs.

Payment to independent directors:

An independent director shall not be entitled to any stock option and shall receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law as amended from time to time. Further they may also be paid / reimbursed such sums incurred as actuals for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

Given the nature of responsibilities cast on IDs under the Act, and the liabilities that they incur, they deserve better remuneration. The NRC may recommend the remuneration as per provisions of the Act, to the Board. The Board of Directors will have final authority to approve the same or otherwise, subject to the limits laid down under Schedule V of the Act.

The above criteria and policy are subject to review by NRC and the Board of Directors of the Company.

This policy has been reviewed, revised and approved by the Board at its meeting held on February 05, 2021.