



NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior management Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time-to-time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

The objectives and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the media industry.
- To carry out evaluation of the performance of Independent Directors and Board of Directors.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors

Effective Date:

This policy shall be effective from December 01, 2015 and may be amended from time-to-time, whenever deemed fit.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on January 30, 2003 by renaming it as Nomination and Remuneration Committee on May 15, 2014.

The Nomination and Remuneration Committee of Balaji Telefilms Limited has been constituted in compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, as applicable.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

- "Board"/"Directors" means Board of Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- "Company" means Balaji Telefilms Limited.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations]
- "Key Managerial Personnel (KMP)" in relation to a Company means:
 - i) The Chief Executive Officer of the Company or the Managing Director or the Manager;
 - ii) The Whole-Time Director;
 - iii) The Chief Financial Officer;
 - iv) The Company Secretary; and
 - v) Such other officer as may be prescribed or designated by the Board.
- "Senior management" means officers/personnel of the Company who are members of its core management team, excluding board of directors, and shall also comprise all members of 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 the functional heads, by whatever name called, and the person identified and designated as KMP by the Board.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to the following:

- Directors (Executive and Non-Executive);
- Key Managerial Personnel; and
- Senior Management Personnel

General:

This Policy is divided in three parts:

- **Part – A** covers the matters to be dealt with and recommended by the Committee to the Board;
- **Part – B** covers the succession policy and appointment and nomination; and
- **Part – C** covers remuneration and perquisites etc.

PART - A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes, Independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - A) use the services of an external agencies, if required;
 - B) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - C) consider the time commitments of the candidates.
- Formulation of criteria for evaluating performance of Independent Directors and Board of Directors.
- Devising a policy on diversity of board of directors;
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy and recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Decide upon whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Such other functions as may be required to be performed in compliance with applicable laws, or as may be entrusted to the Committee by the Board of Directors.

PART-B

I PROCEDURE FOR SUCCESSION

i. Succession Plan for the Board and the KMPs

The Committee shall identify suitable persons from among the existing top management personnel or from outside the Company to fill up the vacancy at the Board, KMP level. The Committee shall apply a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a director or KMP of the Company based on his/her educational qualifications, experience and track record.

The Committee shall review that the process is in accordance with the applicable provisions of the Companies Act, 2013, Listing Regulations and other laws as applicable to the Company.

ii. Succession Plan for the Senior Management

The Committee shall periodically review and consider the list of Senior Management due for retirement or resignation, if any within the year. The Committee shall also consider new vacancies that may arise because of business needs or up-gradation of department(s). Accordingly, the Committee shall assess the availability of suitable candidates for the Company's future growth and development.

The vacancy or fresh appointments at the Senior Management level shall be in line with the internal policy(ies) adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

The appointment of Senior Management shall be in accordance with the applicable provisions of the Companies Act, 2013, Listing Regulations and other laws as applicable to the Company.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment Criteria and Qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole-time Director/Managing Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. No person shall be appointed or continue the Directorship as a Non-Executive Director of the Company after attaining the age of seventy five years, unless approval of shareholders has been obtained by way of passing a special resolution for such appointment/continuation.

Term/Tenure:

1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Evaluation:

The Committee shall carry out evaluation of performance of every Independent Director and board of Directors.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Board Diversity:

The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company.

- Media & Entertainment sector;
- Human Resource;
- Banking and finance;
- Legal, taxation and general administration;
- Any other field as may be deemed fit by the Nomination and Remuneration Committee of the Company.

PART-C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR/MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

General:

1. The remuneration/compensation/commission etc. to the Director (Executive and Non-Executive), KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and such other approval, if any, as may be required.
2. The remuneration/compensation/commission etc. to the Director (Executive and Non-Executive), KMP and Senior Management Personnel will be reviewed by the Members of the Committee and Board annually or at the discretion of the Committee.
3. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
4. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Whole-time Director/Managing Director.
5. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay

The Whole-time/Executive/Managing Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc.

shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

3. Provisions for excess remuneration:

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without approval as required under the Companies Act, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company. The Company shall not waive recovery of such sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

Remuneration to Non-Executive/Independent Director:

1. Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder and Listing Regulations.

2. Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

AMENDMENT

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Listing Regulations, Act or any law for the time being in force. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. Further, any amendments to the applicable laws shall automatically apply to this Policy.

Note: *This policy was last updated on July 03, 2025.*
