



FORCE MOTORS LIMITED

CIN L34102PN1958PLC011172

Regd. Office : Mumbai - Pune Road, Akurdi, Pune – 411 035.

REMUNERATION POLICY

Preface:

The Company has framed the below Policy in terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ('the Listing Regulations') shall be subject to those laws or such other Rules/ Regulations.

The Securities and Exchange Board of India has amended the Listing Regulations (vide notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May 2018) and the same will come into force from 1st April 2019. Accordingly, the Policy has been amended by the Board on 13th February 2019 to be effective from 1st April 2019.

Objective:

The objective of the Remuneration Policy is to attract, motivate and retain qualified and expert individuals that the company need in order to achieve its strategic and operational objectives.

Scope:

The Board of the Company and the Nomination and Remuneration Committee are expected to decide the criteria for recommending / approval of remuneration to be paid to Directors/ Working Directors / Key Managerial Persons not forming part of the Board viz. Chief Executive Officer, Chief Financial Officer, Company Secretary; and Senior Management Officials i.e. those 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 chief executive officer/managing director/whole time director/manager.

Following are the criteria for the Working Directors, Non-Working Directors, Key Managerial Persons and Senior Management Officials:

a) Criteria for recommending remuneration to be paid to Directors who are Non Working Directors.

As per the provisions of Article 118 of the Articles of Association of the Company, the Members of the Company in their Annual General Meeting approved payment of sitting fees, to be paid to Non Working Directors (hereinafter **the Directors** in this part of policy statement), a meeting fee as permitted by Section 197(5) of the Companies Act, 2013 (**the Act**) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Board of Directors in its meeting held on 20th September 2014 after considering the time required to be devoted by the Directors attending the meeting of Board of Directors/ Committee Meeting, nature of preparatory work, to be undertaken by the Directors, risk and requirement of constant monitoring of the affairs of the Company, as mandated by the Act, decided that fees of Rs. 50,000, be paid to each Director attending the meetings of the Board or of a Committee.



Any revision in future in respect of this limit of fees shall be based on the applicable provisions of the Act, approval of the Members of the Company and on the criteria of time required to be devoted by Directors for preparation, attending meetings and monitoring the affairs of the Company.

In case the Company decides to make payment of commission of Non Working Directors the amount of commission to be paid (as approved by the Board) subject to Section 197 of the Act, be distributed between the Directors on the basis seniority, strategic contribution, number of meetings attended. The decision shall be taken by the Board based on the recommendation of Nomination and Remuneration Committee.

b) Criteria for recommending/ approving remuneration to be paid to the Working Directors

The remuneration of the Working Directors shall be decided on the basis of following criteria:

- i. Age
- ii. Experience
- iii. Past achievement while managing the substantial affairs of the Company
- iv. Time devoted and required to be devoted
- v. Profitability of the Company ascertained as per the provision of Section 197 and 198 of the Act and
- vi. Limits prescribed by the Act on managerial remuneration.

While finalizing the remuneration, it shall be ensured that the level and composition of remuneration is sufficient to attract, retain and motivate directors of quality for running the Company successfully and there exist clear relationship between remuneration paid and performance met as per benchmarks set.

The revision in the existing managerial remuneration or remuneration to be recommended on renewal of the appointment should be determined by the Nomination and Remuneration Committee and recommended to the Board for approval.

The approval of the Members of the Company should be obtained for payment of Managerial Remuneration, including minimum remuneration payable in case of absence or inadequacy of profits, for any of the financial year.

c) Criteria for approving remuneration payable to the Key Managerial Persons /Senior Management Officials

The remuneration of any Key Managerial Person / Senior Management Official or any revision therein shall be based on the criteria related to:

- i. Educational qualification
- ii. Professional membership
- iii. Total experience
- iv. Experience with the Company
- v. Proficiency in the related field
- vi. Integrity and
- vii. Innovative efforts made by the concerned employee during the period of review.



While appointing any Key Managerial Person or Senior Management Official, the above criteria should be considered by the Executive management and proposal of appointment / revision in remuneration, in whatever form, should be submitted to the Nomination and Remuneration Committee for recommending the same to the Board of Directors for approval.

The remuneration offered to a Key Managerial Person or Senior Management Official shall achieve balance between fixed and incentive pay reflecting short and long-term performance objectives as set by the Board from time to time.

While approving the annual increments, to be granted to these employees of the Company, the general level of increments proposed for the other employees of the Company should be carefully considered by the Executive Management, before making such recommendation.

Disclosure:

The policy will be placed on the website of the company and the salient features of the policy and changes therein, along with the web address of the policy, will be disclosed in the Board's report.

These criteria should be communicated to the concerned Officials and should be disclosed as per the requirement of the Listing Regulations.

Review:

The Board and the Nomination and Remuneration Committee shall be entitled to review, modify these criteria or any of them as may be deemed fit from time to time.

Company shall not be required to disclose the reasoning for remuneration to be offered or increments to be offered or reduction in the remuneration, to be paid to any Official being employee of the Company; nor any Official being employee of the Company shall be entitled to claim any benefit of any of the criteria being part of this remuneration policy.

Pune, 13th February 2019
