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**BLACK BOX LIMITED**  
(FORMERLY KNOWN AS AGC NETWORKS LIMITED)

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**REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

<b>Policy Name</b>	Nomination & Remuneration Policy
<b>Purpose</b>	To provide guidelines and restrictions with regards to the appointment and compensation of Directors, Key Managerial Personnel and other senior employees for fulfillment of their employment obligations within Black Box Limited (Formerly known as AGC Networks Limited (“the Company”))
<b>Aims and Objectives</b>	This policy is intended to ensure that: <ul style="list-style-type: none"> <li>• All Directors and Executives of the Company are recognized and rewarded for their performance in a fair and equitable manner;</li> <li>• To ensure that remuneration paid to Directors and Executives is competitive, enabling the Company to attract and retain employees capable of meeting the Company’s needs and service delivery obligations; and</li> <li>• To reward Directors and Executives for achieving pre-determined Company, Departmental as well as personal/individual performance targets and goals.</li> </ul>
<b>Policy Custodian</b>	Compliance Officer
<b>Approving Authority</b>	Recommended by Nomination and Remuneration Committee (“the Committee”) and approved by the Board of Directors of the Company (“the Board”)
<b>Applicability</b>	This policy applies to all the Directors, Key Managerial Personnel and other permanent senior employees as may be decided by the Committee.
<b>Policy Benchmark and References</b>	As required under section 178 of the Companies Act, 2013 (“the Act”) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

**PREFACE:**

Black Box Limited (Formerly known as AGC Networks Limited (hereinafter called and referred to as “the Company”) believes in conducting its affairs in a fair and transparent manner by adopting highest standard of professionalism and good Corporate Governance Practices. The Company is committed to ensure that equitable remuneration is paid to all directors and employees of the Company. In order to attract and retain qualified and skilled directors and executives, to fill vacancies at all levels, it is the Company’s aim to maintain fair and competitive remuneration consistent with industry practices and all necessary regulations.

**APPLICABILITY OF THIS POLICY:**

Directors, Key Managerial Personnel and other Senior Employees as may be decided by the Committee or Board of the Company, subject to the approval of members in the General Meeting for their appointment wherever applicable and subject to the provisions of the Companies Act, 2013 shall be remunerated in line with the service agreement.

**CATEGORIES OF EMPLOYEES COVERED UNDER THIS POLICY:**

- Directors which includes Whole Time or Executive Directors and Non-Executive or Independent Directors.

- Key Managerial Personnel as defined under Section 2 (51) of the Act.
- Senior Management i.e. the employees designated as Vice-President and above (normally include the first layer of the management below the Board level).

**As per Companies Act 2013:**

“Key Managerial Personnel”, in relation to a company, means—

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed.

**As per Listing Regulations:**

“Senior Management” includes officers or personnel of the Company who are members of the core management team of the Company excluding the Directors and normally comprising of all the members of management one level below the Chief Executive Officer/Managing Director/Whole-Time Director/Manager (*including the Chief Executive Officer/Manager*). The Chief Financial Officer and Company Secretary are specifically included in this definition of Senior Management.

**GENERAL POLICY STATEMENT:**

The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Recommend to the Board the extension of the appointment of the independent Directors based on their performance evaluation
6. Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

The Nomination and Remuneration Committee shall ensure that—

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;  
and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Provided that such policy shall be disclosed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.

The Nomination and Remuneration Policy of the Company is performance driven and is structured to motivate directors and employees, recognize their merits and achievements and promote excellence in their performance. Individual performance pay is determined by business performance and the performance of the individuals is measured through the annual appraisal process. Through compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce that will ensure the long term sustainability of the Company and create a competitive advantage in the development field.

The remuneration of the Board members and the senior executives is based on the Company's size and global presence, its economic and financial position, industrial trends, compensation paid by the peer companies etc. Compensation reflects the Board members and executives responsibility and performance.

***TERMS OF REFERENCE OF THE COMMITTEE:***

- i. To identify persons who are qualified to become directors and who may be appointed in senior management level in accordance with the criteria laid down in Schedule I of this policy.
- ii. To recommend to the Board, appointment and removal of the directors and evaluation of every director's performance as laid down in Scheduled I of this policy.
- iii. To formulate the criteria for determining qualifications and positive attributes of the Directors.
- iv. To deal with the matters relating to the remuneration payable to Whole time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non-Executive directors, apart from sitting fees.
- v. To review the overall compensation policy, service agreement and other employment conditions of Whole time Directors, Key Managerial Personnel and Senior Management Executives which include the employees designated as Vice-President and above (normally include the first layer of management below the Board level).
- vi. To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

***THE LEVEL AND COMPONENTS OF REMUNERATION***

***Remuneration of Whole-time Directors, Key Managerial Personnel and Senior Executives of the Company:***

***Role and Type of Remuneration:***

The Company recognizes the competitive nature of the current professionally/ academically qualified work force and this requires to the Company to provide competitive remuneration offering to directors and employees to ensure that a high caliber of staff is attracted to the Company and retained. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards.

The Remuneration of Whole time Directors, Key Managerial Personnel and Senior Executives of the Company are decided based on criteria stated in Schedule I of this policy and as per the recommendation of the Committee. The Company will pay remuneration to Whole time Directors, Key Managerial Personnel and Senior Executives by way of salary, retirement benefits perquisites, allowances (fixed component), incentives and commission (variable component) based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable.

***Fixed Component of Remuneration:***

Whole Time Directors and Employees are receiving fixed component of their Total package on a monthly basis. The total package includes in it guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund and/or pension & gratuity and/or medical aid funds and/or group life insurance fund contribution etc. as applicable.

***Variable Component of Remuneration:***

Annual performance linked incentive / increment for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance relative to predefined targets. Performance is measured over a year's period.

The remuneration policy should accordingly be considered in the greater human resource context.

The Committee shall consult the Chairman and/or Managing Director about their proposals relating to the remuneration of other Whole time Directors, Key Managerial Personnel and Senior Executives.

***Remuneration of Executive Directors:***

For deciding remuneration of the Executive Directors, the Committee shall consider the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee shall regularly keep track of the market trends in terms of compensation levels and practices in relevant industries.

***Remuneration of Non-Executive Directors:***

Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays a sitting fee per meeting of the Board and the Committee (as may be decided from time to time) to the Non-Executive Directors for attending the meetings within the limit prescribed under the Act.

The remuneration by way of Annual Commission to the Non-Executive Directors shall be decided by the Board of Directors and will be paid to them based on their participation and contribution at the Board/Committee meetings and the time spent on matters other than at meetings.

An independent director may receive remuneration by way fees provided under sub-section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members of the Company.

The Company shall disclose in the Board's report, the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed under the Act.

Where any insurance is taken by a company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, 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.

***COST MANAGEMENT***

The objective of remuneration cost management is the importance of the directors and employee's role, thereby reflecting their relative worth to the Company. Cost management does not necessarily imply a reduction of overall salary and bill but rather the correct allocation thereof. The Finance and Budget Department in conjunction with Human Resource Department should manage remuneration cost within budgetary constraints, while ensuring the remuneration levels of competent, exceptional performers and key employees are positioned competitively against the market.

As per Provisions of sub-section (9) of Section 197 of the Companies Act, 2013, if any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this

section or without the approval of shareholders or requisite authorities, wherever applicable, he shall refund such sums to the company within 2 years or such a lesser period as may be determined by the Company and until such sum is refunded, hold it in trust for the company. The company shall not waive the recovery of any sum refundable to it, unless such waiver is approved by the shareholders by special resolution within two years from the date the sum becomes refundable.

The Board of Directors of the Company has power to reconstitute the Committee as and when think fit so or as may be required under the law.

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**SCHEDULE I*****Criteria for appointment and performance evaluation – related remuneration for Directors/Key Managerial Personnel and Senior Executives of the Company.***

- At the time of selection of a Director the Company must examine the integrity of the person and possession of relevant expertise, qualifications and experience.
- In case of appointment of Independent Director, the Company must observe the pecuniary relationship with the promoters and group companies.
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors/executives to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Financial and operating performance vis-à-vis the Annual and Operating Budget of the Company.
- Remuneration of directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- External Competitiveness: The quantum and nature of the total offering to directors and employees determines how competitive the Company is in recruiting and retaining them. The appropriate mix of guaranteed benefits and incentives further enhances the Company's ability to motivate them in a manner that will improve the Company's competitiveness.
- The size and complexity of a position is determined through a valid job evaluation system and individual performance is measured through the established and approved Performance Management System.
- Remuneration recognizes and rewards both high levels of competence and superior performance through the use of incentive bonuses linked to performance.
- Remuneration incentives should be compatible with risk policies and systems, if any.
- The committee shall consider the consequences and associates costs to the Company if basic salary increases and any other changes, whenever required.

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