



**COMPANY'S POLICY ON REMUNERATION OF
DIRECTORS, KEY MANAGERIAL PERSONNEL AND
OTHER EMPLOYEES.**

UNDERWATER SERVICES COMPANY LIMITED

**Registered Office : 23/24, BPT Building,
Mallet Bunder Mumbai -400009**

Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees.

General:

The objective of remuneration for Managing Director, Whole-time Directors, other Key Managerial Personnel and other employees of the Company is: to focus them on achieving objectives and improving performance, to motivate and retain them and to be able to attract qualified, talented and competent executives and employees to the Company, when required. Besides this, achievement of long-term objectives of the Company and protecting and enhancing stakeholders' interest are added policy objectives in case of remuneration of Managing Director and Whole-time Directors. Further, it is also the objective to create a strong performance oriented culture within the Company that rewards achievement of the company's short term and long term objectives and goals.

Remuneration for Executive Directors:

The Nomination and Remuneration Committee ("Committee") shall endeavour to fix the base salaries (fixed salaries) keeping in view practices prevailing in the industry and also variety of other factors such as experience, past performance, scope of responsibilities and complexity of functions.

The Committee shall also consider incentive pay (in the form of commission, bonus or variable pay of any other description) to strike balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goals.

The annual increments in the base salaries shall be determined keeping in view performance of the Company and shall also reflect appropriate performance benchmarks.

The remuneration of Managing Directors and Whole-time Directors shall be subject to provisions of the Companies Act, 2013 ("Act"). However, the base salaries shall be paid as minimum remuneration in the event of loss or inadequacy of profits, subject to provisions of the Act.

Remuneration for Non-Executive Directors:

Non-Executive Directors shall be entitled to receive remuneration by way of fee for attending meetings of the Board of Directors or Committee thereof or any other purpose whatsoever as may be decided by the Board from time to time within the maximum limit prescribed under the rules made under the Act and also reimbursement of expenses for participation in the Board and other meetings. Subject to the provisions of the Act, Non-Executive Directors may also receive profit related commission as may be decided by the Board. Subject to provisions of the Act, Non-Executive Directors may also be entitled to receive fees/remuneration by virtue of appointment at a place of profit.

Remuneration for other Key Managerial Personnel (KMP) Senior Management Personnel (SMP):

The Company Management shall endeavour to fix the base salaries (fixed salaries) for KMP and SMP at the time of appointment keeping in view practices prevailing in the industry and also variety of other factors such as qualifications, experience, scope of responsibilities, complexity of functions and geographical area.

The Company Management shall also consider incentive pay (in the form of commission, bonus or variable pay of any other description) to strike balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goals. The annual increments in the base salaries of KMP and SMP shall be determined by the Company Management keeping in view performance of the Company and performance of the employees based on appropriate benchmarks and practices prevailing in the industry.

Remuneration for other employees:

The Company Management shall endeavour to fix the base salaries (fixed salaries) for other employees keeping in view qualifications, experience, scope of responsibilities, complexity of functions, geographical location and practices prevailing in the industry. The Company Management shall also evaluate and explore for other employees in general or employees in any specific department or function an element of variable pay in the form of incentive, bonus etc. keeping in view short term and long term objectives of the Company. The Company Management shall determine annual increments of other employees based on performance of employees, performance of the Company and practices prevailing in the industry.

Common Consideration:

While fixing and reviewing the remuneration, the Committee or the Company Management, as the case may be, shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and SMP of the quality required to run the Company successfully. Further, the Committee or the Company Management, as the case may be, shall endeavour to ensure that the remuneration and/or annual increment determined is affordable to the Company and competitive with due consideration to industry trends and the Company's own position, consistently followed practices.

All employees shall be entitled to loan as per the scheme/policy formulated by the Company and group personal accident insurance as per the Company's policy.

The Committee or the Company Management, as the case may be, may also undertake mid-term review of remuneration if the circumstances so warrant.

Criteria for determining qualifications, positive attributes and independence of a Director.

- (a) The appointment of any person as a Director shall be as per the policy on appointment of Directors laid down by the Board.
- (b) For Non Executive / Independent Directors, requisite professional qualification in the area of expertise is preferred. However, experience and expertise in a given field should be determining factor. A candidate proposed for Executive Director should have enough experience or potentially fit for the executive responsibilities.
- (c) Through personal interaction with the candidate proposed for position of Director, the NRC Committee shall ascertain positive attributes such as leadership, strategic, decision making, flexibility, integrity, and communication, should understand/create culture/ethos of Underwater Services Company Ltd. For candidate proposed for Executive Director, the Committee shall ascertain additional positive attributes such as entrepreneurship, quality & customer focus, anticipation & speed, passion for superior performance and people orientation.
- (d) Candidate proposed as Independent Director should satisfy criteria of independence specified in the Companies Act, 2013 from time to time.
