



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

AIR INDIA LIMITED

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

(Pursuant to Section 178(3) of Companies Act, 2013)

PREAMBLE

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Air India Limited (“the Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy is guided by the principle and objective as encapsulated in the provisions of Section 178(3) of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time

In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail, and the Company shall abide by the applicable law.

While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (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.

DEFINITIONS

Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Board means Board of Directors of the Company.

Directors mean Directors of the Company.

Key Managerial Personnel (“KMP”) means

Chief Executive Officer and Managing Director
Chief Financial Officer
Company Secretary; and
such other officer as may be prescribed.

REMUNERATION FOR INDEPENDENT DIRECTORS AND NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

- Independent directors (“ID”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission/remuneration/compensation within regulatory limits, while Non-Independent Non-Executive directors (“NED”) would be entitled only to sitting fees.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be payable for attending the Board and Committee Meetings shall be subject to statutory ceiling limits and subject to review and alignment with comparable best in class Company practices on a periodic basis.
- The aggregate commission payable to all the IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each Independent director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.
- IDs will not be eligible to receive stock options under the employee stock option scheme(s) (“ESOP”) of the Company, unless otherwise permitted by applicable regulations.

REMUNERATION FOR CEO AND MD / KMP / REST OF THE EMPLOYEES

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent),
- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix, including basic/ fixed salary, benefits, perquisites and allowances for the CEO and MD, is as per the terms approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The Company provides retirement benefits as applicable.
 - In addition to the basic/ fixed salary, benefits, perquisites and allowances, the Company provides CEO and MD such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board and shareholders, if required. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,

- Industry benchmarks of remuneration,
- Performance of the individual.

- The Company provides the rest of the employees, a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- In addition, select senior executives including CEO and MD will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by the NRC.

REMUNERATION PAYABLE TO DIRECTOR FOR SERVICES RENDERED IN OTHER CAPACITY

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

- This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.
- This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.
- This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company. Furthermore, such other disclosures of this Policy as stipulated under the Act, may be made.

POLICY IMPLEMENTATION

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Adopted by the Board on 13 February 2026