

BHILAI JAYPEE CEMENT LIMITED

NOMINATION AND REMUNERATION POLICY

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Introduction

The Board of Directors of Bhilai Jaypee Cement Limited (“the Company”) had constituted the “Nomination and Remuneration Committee” and “Nomination and Remuneration Policy” which is in compliance with the requirements of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The Company recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. Keeping in view the objective of ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the right personnel and run the Company successfully, this policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company has been formulated.

Scope and exclusion

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the appointment and removal, remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

Definitions

- i) **“Board”** means the Board of Directors of the Company.
- ii) **“Directors”** means Directors appointed on the Board of the Company.
- iii) **“Committee”** means Nomination and Remuneration Committee as constituted or reconstituted by the Board.
- iv) **“Company”** means **Bhilai Jaypee Cement Limited**
- v) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- vi) **“Key Managerial Personnel” (KMP)** means-
 - (a) Chief Executive Officer or Managing Director;
 - (b) Whole-time Director;
 - (c) Chief Financial Officer;
 - (d) Company Secretary;
 - (e) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- vii) **“Senior Management”** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- Viii) **“Policy”** means this Nomination and Remuneration Policy for Directors, KMPs and other employees of the Company.

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

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Appointment and Remuneration of Directors, Key Managerial Personnel, and other employees

The committee shall identify the persons based on qualification and experience and recommend to the Board of Directors the Appointment and Remuneration for those who qualify to become Director and persons who may be appointed as KMP's.

I. Remuneration to Executive Directors and Key Managerial Personnel:

- i) The Board, on the recommendations of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits as approved by the shareholders.
- ii) The remuneration of Executive Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder, which shall comprise of:

a) Fixed pay:

The Executive Directors shall be eligible for a monthly remuneration, as approved by the Board on the recommendation of the Committee. The Pay scale and quantum of allowances and perquisites including, Employer's contribution to Provident Fund, pension scheme, reimbursement of medical expenses, club fees etc. shall also be as decided and approved by the Board on the recommendations of the Committee and shall be subjected to the approval of the shareholders and the Central Government, wherever required.

Fixed salary of the Executives Directors shall be competitive and based upon the industry practice and benchmarks considering the skill and knowledge, experience and job responsibilities.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, then it shall seek previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Executive 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 the prior sanction of the Central Government, where required, he/she shall refund such sums to 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 permitted by the Central Government.

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- iii) The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- iv) Annual Increments payable to the Executive Directors and the KMPs shall be structured in their existing pay-scale.
- v) Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary for indemnifying them against any liability, the premium paid on such insurance shall not be treated as a 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.

II. Remuneration to Non- Executive Directors:

- A. The Non- Executive Directors may receive remuneration:
- i) by way of sitting fees, as decided/modified by the Board of Directors, for attending the Board and Committee meetings; Provided that, the amount of such fees shall not exceed Rs. One Lakh per Meeting of the Board or Committee thereof, or such other amount, as may be prescribed by the Central Government from time to time.

The sitting fee for Independent Directors and Women Directors shall not be less than the sitting fee payable to other directors of the Company.

- ii) by way of Commission as a percentage of net profits of the Company, as decided from time to time by the Nomination and Remuneration Committee of the Company, fixed as per the provisions of the Companies Act, 2013 read with the rules made thereunder and any other applicable enactment for the time being in force.

The Independent Director shall be entitled for profit related commission, as may be approved by the members of the Company.

- iii) in any other permissible mode.

The remuneration payable shall be subject to the provisions of the Companies Act, 2013, the approval of the Board and shareholders of the Company, as may be required.

- B. The Independent Directors shall not be entitled to any stock options of the Company.

III. Remuneration to other employees

Employees shall be assigned grades according to their qualifications, work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on

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various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The remuneration viz. Basic Pay Scale, allowances and perquisites including Provident Fund, reimbursement of medical expenses etc. shall be paid as per the Company's HR policies, as amended from time to time.

Evaluation

The Committee shall carry out the evaluation of performance of the Board of Directors/ Committee of members and Individuals at regular interval.

Meetings

The meetings of the Committee shall be held time to time, whenever required by the Board or required under any provision of Companies Act, 2013 and Rules made thereunder, if any, for the time being.

Role of the Committee

The Committee shall have the accountabilities and responsibilities on the matters that are delegated to the Committee by the Board and shall perform the duties required under applicable statute and other applicable laws.

Amendment in the Policy

The Nomination and Remuneration Committee shall review the policy from time to time and make necessary recommendations to the Board. Any amendments to this Policy can be made only with the approval of the Board of Directors of the Company.