

THE INDIA CEMENTS LIMITED

CHENNAI

NOMINATION AND REMUNERATION POLICY (As Amended)

1.0 INTRODUCTION

In compliance with Section 178 of the Companies Act, 2013 and the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, the Board of Directors of the Company shall constitute a Nomination and Remuneration Committee, consisting of 3 or more non-executive Directors out of which not less than one half shall be independent Directors for the purpose of

- a. Identifying persons qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- b. Formulating the criteria for determining qualification, positive attributes and independence of a Director.
- c. Recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees and any changes / amendments made thereto.
- d. Devising a policy on Diversity of Board of Directors.
- e. Ensuring that the Policy on Board diversity is considered while recommending the appointment of new Directors on the Board of the Company.
- f. Formulating the criteria for effective evaluation of the performance of Board, its Committees and individual Directors.
- g. Extending or continuing the term of appointment of the Independent Director on the basis of the Report of performance evaluation of Independent Directors.
- h. Formulating the criteria for the evaluation of the performance of KMP and Senior Management Personnel and recommend all remuneration, in whatever form, payable to them.

2.0 DEFINITIONS

- (a) “Act” means The Companies Act, 2013 and the Rules made thereunder including any amendments or modifications thereof for the time being in force.
- (b) “Board” or “Board of Directors” means collective body of Directors of the Company.
- (c) “Company” means The India Cements Limited.
- (d) “Executive Directors” means Managing Director and Wholetime Director.
- (e) “Key Managerial Personnel (KMP)” means
 - ❖ Chief Executive Officer (or) the Managing Director (or) the Manager
 - ❖ Wholetime Director
 - ❖ Chief Financial Officer
 - ❖ Company Secretary
 - ❖ Such other officer, not more than one level below the Directors, who is in wholetime employment, designated as KMP by the Board and
 - ❖ Such other officer as may be prescribed.
- (f) “Non-Executive Directors” means Independent Directors, Nominee Directors and Promoter Director, excluding Executive Directors.
- (g) “Policy” means Nomination and Remuneration Policy.
- (h) “Regulations” or “SEBI (LODR) Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (i) “Senior Management Personnel (SMP)” means personnel of the Company, who are members of its core management team comprising all members of Management one level below the Executive Directors, including all functional heads.

3.0 SCOPE

In compliance with Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, the Company has framed the Nomination and Remuneration Policy to ensure that the

- a) 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.
- 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.

4.0 POLICY ON BOARD DIVERSITY

The objective of this Policy is to ensure that the Board diversity appropriate to the business requirements of the Company, which inter-alia, specifies optimum combination of Executive Directors, Non-Executive Directors and Independent Directors, the recommendatory requirement for each of the directors to possess functional diversity.

The Company recognizes and embraces the benefits of having a diverse Board in its success. The Company believes that a truly diverse Board will enhance the quality of decisions made by the Board by utilizing the different skills, qualification, professional, regional and industry experience, cultural and geographical background, gender, knowledge etc., of the members of the Board. The Policy is mainly to ensure that the Board possesses the balance of skills, experience and diversity of perspectives appropriate to the requirements of the businesses of the Company.

The Board Diversity Policy shall ensure an optimum composition of the Board such that the talent of all members of the Board blend together to be as effective as possible. The Board should be balanced by members having complementary knowledge, expertise and skills in areas such as business strategy, finance, accounting, legal, marketing, manufacturing, technology and such other areas that the Board considers desirable.

The Nomination and Remuneration Committee is responsible for reviewing and assessing the composition and performance of the Board as well as identifying and nominating appropriately qualified persons to occupy Board positions for approval of the Board and the shareholders.

5.0 REMUNERATION PHILOSOPHY

Broadly, the performance of the employee concerned and the performance of the Company are the fundamental parameters determining the

remuneration payable to such an employee. More specifically, there will be reciprocity in the matter of remunerating executive directors, KMP, SMP and other employees.

It is universally accepted that a person, who goes up in the management ladder is paid more for result and responsibility rather than for quantum of work done or hours spent on the job. The Company has been consistently following this Policy and will continue to follow this in future. In assessing the contribution of a Director or any other employee, regard will be had to the positive difference that the person has brought to bear on his / her job. Improvement of the topline and bottom-line are not the only considerations. Equally important are the quality of governance, addressing of environmental issues, taking care of stakeholders interest and proactive participation in the developmental activities of the Company. Needless to say, that at higher levels, such as executive directors, emphasis is in their being a leader rather than a manager. While every individual action may not result in success in physical terms, the overall approach and the positive impact that it has among the colleagues will be given due importance. Equally important is the ability to lead a team in preference to individual brilliance.

At the middle and lower levels of management, the yardsticks of assessment are different. The ability to speedily execute policy decisions, sincerity and devotion and discipline will be the main attributes expected.

6.0 POLICY ON REMUNERATION

The Policy sets out the guiding principles in determining the compensation for Executive and Non-executive Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company.

6.1 EXECUTIVE DIRECTORS

The Company shall appoint or re-appoint, subject to the provisions of the Act, its Managing Director and Wholetime Director (herein after referred as “Executive Directors”) for a term not exceeding 5 years at a time and no re-appointment shall be made earlier than one year before the expiry of term.

The remuneration of the Executive Directors shall be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component will be in the form of commission.

The Executive Directors shall be eligible for a monthly remuneration. The scale of remuneration, allowances, quantum of perquisites, amenities, medical expenses, club fees, contribution to provident fund, pension and other retirement benefits and commission shall be decided and approved by the Board on the recommendation of the Nomination and Remuneration Committee, subject to the approval of the shareholders of the Company in a General Meeting and other approvals, wherever required.

The remuneration, including commission, payable to the Executive Directors shall be in accordance with the provisions contained in the Articles of Association of the Company and within the overall limits prescribed under Section 197 and other applicable provisions of the Act.

The Executive Directors will not be paid sitting fees for attending meetings of the Board / Board Committees.

6.2 NON-EXECUTIVE DIRECTORS

Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of the Board and Board Committees, for the time being.

The sitting fee payable to the Non-Executive Directors for attending Board / Board Committee Meetings is fixed by the Board, subject to the statutory ceiling / limits and other applicable provisions of the Act and the same is reviewed periodically and aligned to comparable best in class Companies. The Board will revisit the Policy at the appropriate time on payment of any remuneration in the form of commission or otherwise to Non-Executive Directors, subject to compliance of the provisions of the Act and Regulations.

Non-Executive Directors will be entitled to reimbursement of expenses incurred in connection with attending the Board / Board Committee Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

6.3 KMP AND SENIOR MANAGEMENT PERSONNEL

The remuneration to Key Managerial Personnel (KMP) other than Executive Directors and Senior Management Personnel (SMP) shall consist of fixed and variable components, including stock options, performance pay, if any, in accordance with the Company's Policy and prevailing laws in force.

The overall compensation (i.e.) CTC of KMP and SMP is determined on the basis of individual accomplishments, relatable to the responsibilities assigned, trends in the market, skills and experience and comparable with the peers in the industry.

The Nomination and Remuneration Committee will carry out the individual performance review and shall take into account the valuable inputs of the Executive Directors while deciding the overall remuneration/ CTC.

7.0 REMUNERATION PRINCIPLE TO KMP, SMP AND OTHER EMPLOYEES

Employees shall be assigned grades according to their qualification and work experience, competencies as well as their roles and responsibilities in the Company and their remuneration shall consist of fixed and variable components, including stock options, performance pay, if any, in accordance with the Company's Policy and prevailing laws in force. Individual remuneration, including perquisites, allowances, other amenities and benefits, leave encashment, leave travel allowance, reimbursement of medical and other expenses and retirement benefits shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs, in accordance with the Company's Policy.

Employees are also eligible for work related facilities and other benefits, loans and advances as may be determined through Company's Policies issued from time to time based on the Grade of the employee.

In addition to the above, the benefits for employees include contribution to a Superannuation Fund, besides statutory benefits such as Provident Fund, Gratuity, etc.

The overall compensation (i.e) CTC of employees shall be subject to periodic reviews as well as factors such as affordability based on the Company's performance and the economic environment.

8.0 DISCLOSURE

This Policy and any changes thereof, as recommended by the Nomination and Remuneration Committee, shall be approved by the Board of Directors and may be reviewed at such intervals as the Nomination and Remuneration Committee or the Board deem necessary. This Policy (as amended from time to time) will be made available on the Company's website: www.indiacements.co.in.

**N.SRINIVASAN
VICE CHAIRMAN &
MANAGING DIRECTOR**

Date: 11.02.2019