



JINDAL (INDIA) LIMITED CIN : U51109WB1991PLC092393	Policy on appointment and remuneration of Directors & Key Managerial Personnel and Other Employees	Version No: 1.1 Revision due on: Need basis Prepared by: Secretarial Dept. Dated: 01.09.2023 Last amended on: 06/01/2020
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BACKGROUND

The policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees ("the Policy") provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. The policy has been prepared pursuant to the provision of Section 178(4) of the Companies Act, 2013 ("the Act").

- i. "Act" means the Companies Act, 2013, Rules framed thereunder including any modification or re-enactment thereof.
- ii. "Board" means the Board of Directors of the Company.
- iii. "Committee" or "Nomination and Remuneration Committee" means a Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act.
- iv. "Independent Director" means the Independent Director of the Company appointed in pursuance of the Act.
- v. "Key Managerial Personnel" or "KMP" means the person (s) appointed as such in pursuance of Section 203 of the Act.
- vi. "Remuneration" means any money or its equivalent given or passed on to any person for services rendered by him/ her and includes perquisites and other benefits.
- vii. "Senior Management" mean the members of core management team of the Company excluding Board of Directors and shall comprise of all the members of management one level below the executive directors, including all functional heads, as mentioned in Section 178 of the Companies Act, 2013.



KEY OBJECTIVES OF THE POLICY

The Key Objectives of the Policy would be:

- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure that the level and composition of remuneration payable to Directors, Key Management Personnel and Senior Management is reasonable and sufficient to attract, retain and motivate them;
- To ensure that the remuneration payable 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;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To devise a policy on Board diversity;
- To develop a succession plan for the Board & Senior Management and to regularly review the plan.

DUTIES OF THE COMMITTEE IN RELATION TO VARIOUS MATTERS

Matters to be dealt with, perused and recommended to the Board by the Committee shall include –

- Formulating the criteria for determining qualifications, positive attributes and independence of a Director;
- Identifying persons who are qualified to become Director and persons who may be appointed in Key Managerial positions in accordance with the criteria laid down in this policy;
- Recommending to the Board, appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.

A. NOMINATION MATTERS

- Determining the appropriate size, composition and diversity of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Ensuring that there is an appropriate induction plan in place for new Directors and



reviewing its effectiveness;

- Identifying and recommending Directors who are to be put forward for appointment, reappointment and eligible to retire by rotation;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance, industry benchmarks and compliance;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Recommend necessary changes to the Board in line with Board Diversity Policy;
- Considering any other matters, as may be requested by the Board.

B. REMUNERATION MATTERS

- To consider and determine whether the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors;
- To consider and recommend remuneration payable to senior management including Key Managerial Personnel of the Company by maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company, and its growth strategy;
- To consider any other matters as may be requested by the Board.

APPOINTMENT CRITERIA & QUALIFICATIONS

1. The person should possess adequate qualification, positive attributes, expertise and experience commensurate with the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / adequate for the concerned position.
2. The persons proposed to be appointed as Directors or Whole Time Director shall fulfil the following criterion:
 - A) He / she should be person of integrity with high level of ethical standards.
 - B) The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business and operations of the Company.



- C) The person should not have been disqualified to be a director as per the provisions of the Act, Rules and any other law and regulation for the time being in force. In case of appointment as Independent Director, the person should fulfil the criterion of independence prescribed under the Act, Rules. The Committee shall, with reference to every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- D) The Company shall not appoint any person as Managing Director/Whole-time Director who has attained the age of seventy years, unless with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years;

RECOMMENDATION OF THE COMMITTEE

Depending upon the requirement of the Company, the Committee shall identify the persons who fulfil the criterion mentioned above for appointment as Director, KMP or Senior Management personnel and recommend to the Board for such appointment including the Remuneration and terms of their appointment,

The Committee shall also recommend to the Board the increment and performance incentives of Directors, KMPs or Senior Management personnels of the Company.

TERM OR TENURE

MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. Appointment or re-appointment shall be made with the approval of the shareholders of the Company as mentioned in the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board.

INDEPENDENT DIRECTOR

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment pursuant to passing of an Ordinary Resolution passed by the Shareholders of the Company and disclosure of such appointment in the Board's report. Further an Independent Director will be eligible for re-appointment for a second term of five consecutive years and may be removed from office pursuant to a special resolution passed by the shareholders of the Company in this regard. No Independent



Director shall hold office for more than two consecutive terms of five years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The committee shall ensure to include evaluation as a criteria towards the decision on whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.

EVALUATION

The Committee shall carry out evaluation of performance of every Director at regular intervals and at least on an annual basis.

REMOVAL

On account of any disqualification mentioned in the Act or under any other applicable Acts, rules and regulations thereunder or any other reason which is just and in the interests of the Company, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director or Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT

Unless removed by the competent authority,

- a) A Director including Whole Time Director, if any, shall retire as per the terms of his/ her appointment.
- b) Senior Management personnel shall retire as per the prevailing human resource policy of the Company.

The Board will have the discretion to retain the Director or Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

REMUNERATION STRUCTURE

WHOLE TIME DIRECTORS

The Committee shall formulate and recommend to the Board from time to time Remuneration packages for Whole-Time Directors keeping a balance between fixed and variable pay reflecting short



and long term performance objectives appropriate to the working of the Company and its goals. The Whole-Time Directors are not entitled to sitting fee for attending Meetings of the Board and its committees.

NON EXECUTIVE DIRECTORS

Non-Executive Directors shall be paid sitting fee for attending meetings of the Board and Committees thereof, if any, as per the policy of the Company, subject to the maximum amount permissible under the Act and Rules. Subject to the adequacy of the profits and approval of the Shareholders, the Company may pay commission to the Non- Executive Directors of the Company.

OTHER KMPS AND EMPLOYEES

The payment structure comprising of fixed component, performance based incentive, annual bonus as well as salary levels and policies pertaining to perquisites and benefits including retirement benefits are designed as per the industry practice, business needs or other factors related to the business of the Company.

The Human Resource Department undertakes review of the Remuneration through periodic benchmarking exercises, surveys and market trends. The various Remuneration components are combined to ensure an appropriate and balanced Remuneration package depending upon the level of employee, job profile, demand-supply relationship of the concerned job expertise, performance, future potential, compensation trend in the industry and other relevant variables.

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 meetings, Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

AMENDMENTS AND UPDATES

The Nomination and Remuneration Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Act & Rules made thereunder. In case of any modifications, amendments or inconsistencies with the Act, the provisions of the applicable prevailing laws and the rules made thereunder would prevail over the Policy.
