



NOMINATION AND REMUNERATION POLICY

ANJANI PORTLAND CEMENT LIMITED

PREAMBLE

In terms of provisions of the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), this policy on nomination and remuneration of Directors (including non-executive directors) of the Board of Directors, the Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

OBJECTIVE OF THE POLICY

(a) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent directors on the Board, KMPs and the Senior Management Personnel of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:

- (i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- (ii) specifying the manner for effective evaluation of the performance of the members of the Board individually, Board as a whole and Committee thereof, and review its implementation and compliance;
- (iii) recommending to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

(b) While determining the remuneration for the Directors (including non-executive directors) and KMPs and the Senior Management Personnel, regard should be made to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the level of remuneration remain appropriate.

(c) While designing the remuneration package it should be ensured:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) 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.

(d) The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including section 178 thereof), rules framed there under and the SEBI Listing Regulations including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

DEFINITIONS

In this policy unless the context otherwise requires:

1. **“Board”** means Board of Directors of the Company.
2. **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
3. **“Company”** means “Anjani Portland Cement Limited.”
4. **“Employees’ Stock Option”** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
5. **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 read with regulation 16(1)(b) of the SEBI Listing Regulations.
6. **“Key Managerial Personnel”** (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Company Secretary,
 - (iii) Whole-time Director,
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed.
7. **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
8. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
9. **“Senior Management”** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Listing Regulations) as amended from time to time.

APPLICABILITY

This Policy is applicable to:

- (i) Directors, including Non- Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

ROLE AND RESPONSIBILITY OF THE COMMITTEE

The role and responsibility of the Committee inter alia will be the following:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b) Formulate criteria for evaluation of performance of Independent Directors and the board of directors.
- c) Devising a policy on diversity of board of directors. (Annexure -1)
- d) Identify persons for appointment as Director and for appointment in Key Managerial Personnel and Senior Management in accordance with the criteria laid down in this policy.
- e) Recommend to the Board, appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel.
- f) 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.
- g) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- i) To ensure orderly succession for appointment to the Board of Directors and Senior Management
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at two-thirds shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and SEBI Listing Regulations and applicable statutory requirement.
- c) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not Chair the Committee.
- c) Chairman of the Committee may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries; however, it shall be up to the chairperson of the Company

to decide who shall answer the queries. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance.

VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 - The vacancy at Senior Management shall be filled up by the Managing Director in line with the internal policy adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.
 - The Committee shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

- b) A person should possess adequate qualification, expertise and experience for 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 / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years 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.

• **Term / Tenure:**

a) Managing Director/Whole-time Director/Manager (Managerial Person):

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) 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 on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director / Managing Director of a listed company.

• **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

• **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

If a Director slot/Senior Management position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described for appointment above.

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT
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- **General:**

1. The remuneration / compensation / commission etc. to Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure of Directors and KMP shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors. Increments will be effective from the date of reappointment in respect of Directors and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Directors and KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as 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.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder and / or SEBI Listing Regulations for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing 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, with the prior approval of the Central Government.

Provisions for excess remuneration:

If any Directors 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 as may be required under the Companies Act, 2013, 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.

- **Remuneration to Non-Executive / Independent Director:**

1. **Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

EVALUATION OF PERFORMANCE OF DIRECTORS, BOARD AS A WHOLE AND COMMITTEES THEROF

Independent Directors shall annually (a) review the performance of Non-Independent Directors and the Board as a whole; and (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board of Directors (with the individual director being evaluated recusing himself/ herself at the relevant time) shall also annually review the performance of individual Directors, Board as a whole and its Committees.

This evaluation will be based on the responses of individual Directors / Committee Members on the structured questionnaires.

The Committee shall review the implementation and compliance of the evaluation system followed by the Board and the Independent Directors.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure -1

POLICY ON BOARD DIVERSITY

1. Purpose:

- 1.1. This Policy on Board Diversity (the “Policy”) sets out the Company’s approach for ensuring diversity in the composition of its Board of Directors (the “**Board**”) and is devised in consultation with the Nomination and Remuneration Committee (the “Committee”) of the Board.

2. Scope:

- 2.1. The Policy applies to the Board of Anjani Portland Cement Limited (the “Company”).

3. Policy Statement:

- 3.1. The Company aims to enhance the effectiveness of the Board by diversifying its composition, so as to aid better and improved decision making. In order to ensure that the Company’s board has appropriate balance in skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company may consider a number of factors, including but not limited to skills, industry experience, background etc. and even race or gender.
- 3.2. The Policy shall conform to the following two principles for achieving diversity on the Board:
 - 3.2.1. Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence;
 - 3.2.2. For embracing diversity and inclusiveness, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.
- 3.3. In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:
 - 3.3.1. Gender-The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months.
 - 3.3.2. Backgrounds - The Company shall promote having a boardroom comprising of people from different backgrounds (professional, ethnic etc.), so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company’s business.
 - 3.3.3. Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company’s Board, if he/she is able to efficiently discharge the assigned duties.

3.3.4. Educational qualification - The Directors of the Company shall ideally have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

4. Review of the Policy:

The Nomination and Remuneration Committee shall review the policy from time to time and ensure that it is in the best interests of the Company.
