

BURNPUR CEMENT LIMITED
NOMINATION, REMUNERATION AND EVALUATION POLICY

1. Preamble

The Nomination, Remuneration and Evaluation policy to be followed by Nomination and Remuneration Committee provides a framework for remuneration paid to the members of the Board of Directors (“Board”), the Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of Burnpur Cement Ltd. (“BCL”). The expression “senior management” means personnel of BCL 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.

2. Objectives

The remuneration policy is framed inter alia, with the following objectives:

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate talents of the quality required to run BCL successfully, in the interest of long term sustainability and create competitive advantage.
- That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- That the remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of BCL and its goals.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in KMP and SMP positions and to evaluate the performance of Directors.
- To determine remuneration based on BCL’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- Evaluation of the performance of every Director.

3. Constitution and Quorum

- The committee shall comprise of at least three directors
- All directors of the committee shall be non-executive directors
- At least fifty percent of the directors shall be independent directors.
- The Chairperson of the nomination and remuneration committee shall be an independent director, Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
- The quorum for a meeting of the nomination and remuneration 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
- The nomination and remuneration committee shall meet at least once in a year.

4. Principles of Remuneration

BCL strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel in keeping with the ongoing need to attract and retain high quality people, and the

influence of external remuneration pressures.

Reference to external market norms may be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to BCL's remuneration practices at that time.

Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of BCL whilst complying with relevant legislation(s).

5. Selection and Appointment of the Directors

The qualifications and appointments shall be governed as per the provisions of the Companies Act, 2013 (the Act) and Rules thereof and the Listing Agreements as amended from time to time.

Directors should possess high personal and professional ethics, integrity and values and should be able to devote sufficient time and energy as is prudent and necessary in carrying out their duties and responsibilities effectively.

The Nomination & Remuneration Committee of the Board, ("the Committee") along with the Board, should consider positive attributes, independence, appropriate and diverse qualifications and skills, appropriate characteristics and experience, required of the Board as a whole and its individual members with the objective of having a Board with diverse background and experience in business, government, academics, technology, finance and in areas that are relevant for BCL's operations.

The Committee is also to identify suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board to evaluate the candidate(s) and decide on the selection of the appropriate member.

6. Selection and Appointment of KMP and SMP

BCL may conduct a wide-ranging search for candidates for the positions of KMP and SMP within BCL and on the human resources market.

The Committee to liaise with the relevant departments of BCL to study the requirement for management personnel, as may be required from time to time.

The qualifications of the candidates shall be examined on the basis of the conditions for appointment of KMP and SMP.

7. Term/Tenure

The Term/Tenure of the Directors shall be governed as per the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

8. Remuneration to the Managing Director and Wholtime Directors (Executive Directors):

The Executive Directors shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale, bonus,

commission and quantum of perquisites including, housing, car, medicals, leave travel allowance, club fees, leave encashment, insurance, retiral benefits and other perquisites and allowances shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and /or Central Government, wherever required.

If, in any financial year, BCL has no profits or its profits are inadequate, BCL shall pay remuneration to its Executive Directors in accordance with the provisions of the Act and/or with the approval of the Central Government as applicable and necessary.

9. Remuneration to Non-Executive / Independent Directors:

Sitting fees for attending meetings of Board or Committee may be paid as fixed by the Board on the recommendation of the Committee within the amounts as may be prescribed by the Central Government from time to time.

Commission may be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Act.

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

10. Remuneration to KMP, SMP and other employees

The KMP, SMP and other employees of BCL shall be paid monthly remuneration as per BCL's HR policies and / or as may be approved by the Committee. The break-up of the pay scale, bonus and quantum of perquisites including, housing, car, medicals, leave travel allowance, club fees, leave encashment, insurance, retiral benefits and other perquisites and allowances etc. shall be as per BCL's HR policies.

In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors, then such approval will be accordingly procured.

11. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

12. Retirement

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

13. POLICY FOR EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

The evaluation/assessment of the Independent Directors and the Board of the Company is to be conducted on an annual basis in accordance with the requirements of the Companies Act, 2013 read with the Rules made there under, the Listing Agreement, as amended from time to time and any other enactment, as made applicable for the time being in force. The following criteria may assist in determining how effective the performances of the Directors have been:

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors of the Company, excluding the Director being evaluated.

14. Approval and Disclosure

This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

This policy shall be accordingly disclosed as part of the Board's Report.

15. Amendment

This Policy is effective from 1st April, 2022 and the right to interpret / amend / modify this Policy vests in the Board of Directors of BCL.

BCL