

ISGEC HEAVY ENGINEERING LIMITED
NOMINATION AND REMUNERATION POLICY

(Policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees)

1. Background:

In terms of Section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), this Nomination and Remuneration Policy (“the Policy”) has been formulated by the Nomination and Remuneration Committee of the Company and subsequently approved by the Board of Directors (“the Board”).

2. Executive Directors:

The remuneration payable to the Managing Director(s) and Whole Time Director(s) shall be recommended by the Nomination & Remuneration Committee (“NRC”) of the Board on the basis of the provisions under the Companies Act, 2013, and Listing Regulations.

3. Non-Executive Directors:

Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees to be determined by the Board within the overall ceiling fixed under the Companies Act, 2013.

In addition to sitting fees, the Non-executive Directors (i.e., Directors other than the Managing Director(s) and Whole Time Director(s)) shall be eligible to receive commission as may be approved by the shareholders and the Board of Directors, as the case may be, from time to time, within the limits specified under the Companies Act, 2013 and Listing Regulations.

4. Key Managerial Personnel, Senior Management and other Employees:

The remuneration payable to Key Managerial Personnel (other than Directors, Managing Director(s), and Whole Time Director(s)), Senior Management, including employees one level below the Managing Director, will be fixed on the basis of qualification, experience, performance, ability to take over further responsibilities.

This Policy will also take into account the goals and objectives to be achieved by the concerned employees.

5. Review of Policy:

The NRC shall review this Policy as and when required and ensure that:

- a) The 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 of performance is clear and meets appropriate performance benchmarks; and
- 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.

6. Board of Directors:

Fortunately, the Board of the Company consists of a combination of Directors having experience and qualifications in different areas and fields like Manufacturing, Engineering, Management, HRD affairs, Finance including economics parameter.