



JINDAL COTEX LIMITED **NOMINATION AND REMUNERATION COMMITTEE POLICY**

Preamble:

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “Act”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “SEBI Listing Regulations”), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

Objective

In order to comply with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, the Nomination and Remuneration Committee of the Board of the Directors of the Company (the “Committee”) had formulated this policy (the “Policy”).

The key objectives of the Policy are as follows:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director (Executive/ Non-Executive).
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Make policy for appointment and removal of Director, KMP and Senior Management.
- To formulate the criteria for evaluation of members and provide necessary report to the Board for further evaluation of the Board.

Definitions

“Act” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

“Board” means the Board of Directors of the Company.

“Directors” shall mean Directors of the Company.

“Key Managerial Personnel” or “KMP” means in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;



(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

“Independent Director” means a director referred to in Section 149(6) of the Act.

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.

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 is sufficient / satisfactory for the concerned position.

c) The Company shall not recommend or appoint or continue the employment of Managing Director or Whole time Director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

Term/Tenure of 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 five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Term/Tenure of 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 re-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.
- No person shall hold office as Independent Director in more than seven listed entities and three listed entities in case any person who is serving as Managing Director or whole time Director in any listed entity as may be prescribed under the Act or SEBI Listing Regulations.



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Evaluation

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

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an Independent external agency and review its implementation and compliance.

Removal

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

Retirement

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company 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.

Policy relating to the Remuneration for the Whole time Director, KMP and Senior Management:

- i. The remuneration / compensation / commission etc. to the Whole time Director, KMP and Senior Management 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.
- ii. The remuneration and commission to be paid to the Whole time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole time Director as laid down as per the provisions of the Act.

Remuneration to Whole-time/Executive/Managing Director, KMP and Senior Management:

- i. The Whole-time / Executive / 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. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F.), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- ii. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/Managing Director in accordance with the provisions of section 197 of the Act and Schedule V to the Act and if it is not able to comply with such provisions, with the previous approval of Central Government.



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iii. Provisions for excess remuneration:

If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, 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 Act 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 the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, 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% where the company has either managing director or whole-time director or manager, or 3% of the profits of the Company in case there is no managing director or whole-time director or manager computed as per the applicable provisions of the Act.

Membership:

a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI Listing Regulations.

c) The quorum for the Meeting of the Nomination and Remuneration Committee shall be either be or two shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one Independent Director in attendance).

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairperson

a) Chairperson of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.



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c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

d) Chairman of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The Nomination and Remuneration Committee shall meet at least once in a year.

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.

Duties of the Nomination and Remuneration Committee include:

1. Matters pertaining to the Nomination and Remuneration of members of the Board of Directors & Key Managerial Persons (KMPs)
2. Developing the succession plans of Board members and other Senior Executives.
3. Identification of qualified persons to become Directors, KMPs & other Senior Executives.
4. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
5. Preparation of matters pertaining appointment of the Managing Director / Whole Time Directors / KMP and the other executives as well as the identification of their possible successors.
6. To handle removal & retirement of Whole time Director / Independent Directors / KMPs & other Senior Executives.
7. Preparation of matters pertaining to the remuneration and other financial benefits of the Managing Director / Whole time Directors / Independent Directors / KMPs and other executives.
8. Evaluation of the performance of the Directors and their remuneration.
9. Evaluation of the performance of the Key Managerial Personnel & other executives.
10. Answering questions related the remuneration statement at the General Meeting.
11. Preparation of the proposal to the General Meeting on matters pertaining to the remuneration of Board Members & KMPs

The Committee shall report to the Board all the recommendations of the Committee in connection with the proposals and matter pertaining to the appointment and payment of remuneration to the Directors, KMPs and other executives.



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Minutes of Committee Meeting

Proceedings of all Meetings must be minuted and signed by the Chairperson of the Committee at the subsequent Meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting

Deviations from this Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and directors unless the same is notified to the employees and directors in writing.
