

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 SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, this policy has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

2. Executive Directors:

The remuneration payable to the Managing and Whole Time Directors shall be recommended by the Nomination & Remuneration Committee (NRC) of the Board on the basis of provisions under the Companies Act and LODR.

3. Non-Executive Directors:

Non-Executive Directors may be paid remuneration by way of sitting fees to be determined by the Board within the overall ceiling fixed under the Companies Act. In addition, a sum of Rs. 25,000/- per annum, which is existing will continue to be paid.

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

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

The 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 the 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 Bords 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.
