



Deccan Cements Limited

**NOMINATION
AND
REMUNERATION
POLICY**

“Deccan Chambers”, 6-3-666/B,
Somajiguda, Hyderabad - 500 082

NOMINATION AND REMUNERATION POLICY

The Remuneration Committee of Deccan Cements Limited (“the Company”) was constituted on 8th March 2002. In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board on 20th May 2014 renamed the “Remuneration Committee” as “Nomination and Remuneration Committee”.

Objective of the Policy:

This policy shall be called Nomination and Remuneration Policy and is framed in line with the requirements in Part-D of Schedule-II to the SEBI (LODR) Regulation, 2015, as well as Section 178 of the Companies Act, 2013, which prescribe the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The main objective of the Nomination and Remuneration Policy is:

- To select suitable persons to join the Board of Directors and Senior Management positions of Deccan Cements Limited.
- To recruit suitable Personnel in the various positions, and motivate them by monetary rewards (good increments, ex-gratia payments, etc.) and/or non-monetary rewards (such as, promotions, recognitions, accolades, etc.).

Scope of the Policy:

This policy is applicable for the appointment / re-appointment / removal of the Directors, Senior Management and fixing their remuneration/ compensation.

Matters relating to appointment, remuneration and performance evaluation of personnel other than the Directors and Senior Management shall also be broadly guided by this policy. However, in this regard the provisions of the Human Resources Manual shall apply, which shall be adopted by the Company, from time to time. The Human Resource Manual shall be framed / amended by the Committee of the Executive Directors of the Company, from time to time, taking into consideration the statutory provisions at the respective point of time, and the needs of the Company.

Explanation: The expression “Senior Management” shall refer to the Key Managerial Personnel (KMP) which shall include the following positions:

- 1. Managing Director(s),*
- 2. Executive Director(s),*
- 3. Chief Finance Officer (CFO),*
- 4. Company Secretary (CS), and*
- 5. Such other official as may be designated by the Board from time to time.*

The Board of Directors, from time to time, can make changes to the explanation/scope of “Senior Management”.

Roles of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall evaluate the qualifications, skills, knowledge, experience, positive attributes and independence of persons, and identify the persons who are qualified to become Directors and/or to be appointed in the Senior Management positions and recommend to the Board in connection with their appointment / re-appointment / removal, and remuneration.

The Nomination and Remuneration Committee shall ensure to fill the vacancies, if any, in the Director(s) and Senior Management positions within a period of three months or within such period as may be prescribed under the SEBI (LODR) Regulations, 2015 and/or the Companies Act, 2013 and rules made thereunder.

The Nomination and Remuneration Committee shall recommend for the appointment of a Search Committee, consisting of Executive Directors, from time to time, for identifying, nominating and filling up vacancies in the Senior Management positions.

Performance appraisal/evaluation:

The performance of each category of persons shall be appraised/evaluated as under:

- (A) **Executive Directors and Non-Independent Directors:** The Executive and Non-Executive Directors shall be appraised/evaluated by the Nomination and Remuneration Committee. Further, the Independent Directors of the company shall hold at least one separate meeting in a year without the presence of non-

independent directors and members of management to review the performance of non-independent directors and the Board as a whole.

- (B) **Independent Directors:** The Independent Directors shall be appraised/evaluated by the Nomination and Remuneration Committee. Further, the appraisal/ evaluation of independent directors shall be done by the entire board of directors, which shall include (a) performance of the directors; and (b) fulfillment of the independence criteria as specified in the SEBI (LODR) Regulations and their independence from the management. During the appraisal/evaluation, the director who is being appraised/evaluated shall not participate.
- (C) **Senior Management:** The Senior Management personnel shall be appraised/evaluated by the Executive Directors, and the Nomination and Remuneration Committee.
- (D) **Others:** Personnel other than the Directors and Senior Management shall be appraised/evaluated by the respective functional heads and executive director in the charge of the Human Resource Management.

Remuneration:

Broadly, the remuneration shall be based on the following factors for respective category of persons:

- (A) **Executive Directors:** Qualification, Experience, Performance of the Company, Performance of the Sector and Economy, Remuneration of peer group, Responsibility and profile, etc.
- (B) **Non-Executive Directors, including Independent Directors:** Qualification, Background, Experience, Performance of the Company, Accolades and Recognition, Association with other Organizations, Performance of the Sector and Economy, Participation in the Board and Committee Meetings.
- (C) **Senior Management:** Qualification, Background, Experience, Responsibility and Profile, Problem Solving Capability, Team Management, Performance of the Company, Performance of the Sector and Economy, Remuneration of peer group, Responsibility and profile, etc.
- (D) **Others:** As per the industry standards, Performance of the Company, Performance of the individual, Team Work, Inter department relations, etc.

Components of Remuneration:

Broadly, various components of the remuneration and compensation shall be for:

- (A) **Executive Directors:** Fixed Remuneration, Perquisites and benefits, Pension and Superannuation Schemes, Performance based remuneration, Commission on Profits of the Company, etc., subject to the ceiling specified under the Companies Act, 2013, and rules made thereunder.
- (B) **Non-Executive Directors, including Independent Directors:** Sitting Fees for attending Board and Committee Meetings either physically present or virtually, and Commission on profits of the Company within the ceiling specified under the Companies Act, 2023 and rules made thereunder. However, the Independent Directors shall not be entitled to any stock option.
- (C) **Senior Management:** Fixed Remuneration, Perquisites and benefits, Pension and Superannuation Schemes, and Performance based remuneration, etc.
- (D) **Others:** Fixed Remuneration, Perquisites and benefits, Pension and Superannuation Schemes, and Performance based remuneration, etc.

In additions to the above, the Company may pay ex-gratia to all or any of the personnel of the Company, from time to time.
