IFGL EXPORTS LIMITED

Nomination and Remuneration Policy
1.0 TITLE

Nomination and Remuneration Policy.

2.0 PURPOSE

Pursuant to Section 178 of the Companies Act, 2013 (the Act) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as SEBI (LODR) Regulations 2015), the Board of Directors of every listed company is required to constitute Nomination and Remuneration Committee, to guide the Board on various issues of appointment, evaluation of performance, remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

3.0 APPLICABILITY

This Policy supersedes all previous policies either written or oral, and is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management Personnel and other employees of IFGL Exports Ltd (once Registrar of Companies, Kolkata issues Fresh Certificate of Incorporation for new name ‘IFGL Refractories Ltd’ following scheme of Amalgamation approved by Hon’ble National Company Law Tribunal, Kolkata Bench by passing an order on 3rd August, 2017, “IFGL Exports Ltd” shall be read as “IFGL Refractories Limited”) (“Company”) and its subsidiaries.

4.0 OBJECTIVE

This Policy is framed with the following objectives:

I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.

II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.

III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
IV. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.

V. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

VI. To promote and develop a high performance workforce in line with the Company strategy.

VII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non-Executive/Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.

VIII. To determine the remuneration based on the Company’s size and financial position and practices in the industry.

In brief, this Policy is to ensure that Directors, KMPs and Senior Management Personnel are sufficiently incentivized for enhanced performance and in this regard will take into consideration all relevant factors and give due regard to the interest of shareholders and to the financial and commercial health of the Company. It will be ensured that levels of remuneration are sufficient to attract and retain personnel of the quality required to run the Company successfully.

5.0 DEFINITIONS

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

II. “Board of Directors” or Board, in relation to the company, means the collective body of the Directors of the Company.

III. “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

IV. “Management Personnel” means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Act.
V. “Policy” or “This policy” means Nomination and Remuneration Policy.

VI. “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

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

VIII. “Key Managerial Personnel” (KMP) means
   a. Whole-time Directors, the Chief Executive Officer, the Managing Director, the Manager.
   b. The Company Secretary and
   c. The Chief Financial Officer

IX. “Senior Management” means personnel of the Company, excluding Board of Directors and Key Managerial Personnel, one level below the Board and financial and administrative heads.

X. “Subsidiary” means subsidiary of the Company as defined in the Act.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI (LODR) Regulations 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

6.0 POLICY

6.1 CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

This Policy envisages the role and responsibility of the Independent Directors, Constitution of the Nomination and Remuneration Committee and term of appointment, remuneration and evaluation of Managerial Personnel, Directors, KMPs, Senior Management, remuneration of the Managerial Personnel, KMPs, Senior Management, Independent Directors etc.
The Nomination and Remuneration Committee is consisting of following three non-executive independent directors.

Mr D G Rajan, Chairman
Mr K S B Sanyal, Member
Mr D K Banerji, Member

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and applicable statutory requirements including the SEBI (LODR) Regulations 2015.

The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.

The Committee members may attend the meeting physically or through Video conference or through permitted audio-visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee(s), senior official(s) and/or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

6.2 ROLE AND POWERS OF THE COMMITTEE:

The Role and Powers of the Committee shall be as under:

a) To formulate a criteria for determining qualifications, positive attributes and independence of Directors.

b) To formulate criteria for evaluation of performance of Independent Directors and the Board.

c) To identify persons who qualify to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.

d) To carry out evaluation of every Director’s performance.

e) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

g) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks.

h) To ensure that Remuneration to Directors, KMP and Senior Management involves balance between fixed and incentive pay reflecting short/long term performance objective.

i) To carry out any other function as is mandated by the Board from time to time and/or enforced by the statutory notification, amendment or modification, as may be applicable.

j) To devise a policy on Board Diversity.

k) To formulate the Nomination and Remuneration policy of the Company and propose any amendments.

l) To assist the Board in ensuring that plans are in place for orderly succession for appointment to the Board, Key Managerial Personnel and to senior management.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committed authorised by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any/all of its powers to any of the Directors and/or Officers of the Company, as deemed necessary for proper and expeditious execution.

6.3 APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management 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) Appointment of Independent Directors is also subject to compliance of provisions of section 149 read with Schedule IV of the Act, and rules thereunder and the SEBI (LODR) Regulations 2015.

6.4 TERM/TENURE

a. Management Personnel

The Company shall appoint or re-appoint any person as its Managerial Personnel 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.

b. 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 reappointment on passing of 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
The maximum tenure of Independent Directors shall also be in accordance with the Act and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

6.5 RETIREMENT

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy 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.

6.6 REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT

a. The Remuneration/Compensation/Profit linked incentive etc to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration/Compensation/Profit Linked Incentive etc to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b. The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Act, and the rules made thereunder for the time being in force.

c. Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer’s contribution to P.F., pension scheme, medical expenses, club fees etc shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

d. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the prior approval of the Central Government.
e. If any Managerial Personnel 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.

f. Increments if declared to the existing remuneration /compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

g. Increments if declared will be effective from such date as may be determined by the Committee in respect of Managerial Personnel subject to other necessary approvals from statutory authorities as may be required. Effective date in respect of KMP, Senior Managerial Personnel etc will however be determined by the Managerial Personnel in consultation with the Committee.

h. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

i. ESOP, if any, will be granted only to such employees of the Company and its subsidiaries as will be approved by the Nomination and Remuneration Committee.

6.7 REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTORS

a. Sitting Fees:

The Non-Executive/Independent Director will receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

6.8 FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

a) The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in
which the Company operates, business model of the company, etc through various programs.

b) The details of such familiarization programs shall be disclosed on the Company’s website and a web link thereto shall also be given in the Annual Report.

7.0 MONITORING, EVALUATION AND REMOVAL

I. Evaluation:

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

II. Removal:

The Committee may recommend to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of the Act, and all other applicable Acts, Rules and Regulations, if any.

III. Minutes of Committee Meeting:

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

8.0 AMENDMENT TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circulars) etc shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.
9.0 DISCLOSURE

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board’s Report therein or alternatively the same may be put up on the Company’s website and reference drawn thereto in the Annual Report.

This Nomination and Remuneration Policy has been approved and adopted by the Company’s Board of Directors in their meeting held on Saturday, 9th September, 2017 and subject to changes as may be approved from time to time.

For and on behalf of the Board of Directors of IFGL Exports Ltd

9th September, 2017
Kolkata

P Bajoria
Managing Director