

Morganite Crucible (India) Limited
Morgan Advanced Materials
Molten Metal Systems
B-11, M.I.D.C., Waluj
Aurangabad - 431 136,
Maharashtra, (India)

MORGANITE CRUCIBLE (INDIA) LIMITED

NOMINATION AND REMUNERATION COMMITTEE POLICY

[AMENDED AS ON FEBRUARY 14, 2022]

Morganite Crucible (India) Limited
Morgan Advanced Materials
Molten Metal Systems
B-11, M.I.D.C., Waluj
Aurangabad - 431 136,
Maharashtra, (India)

**POLICY FOR SELECTION, APPOINTMENT & REMUNERATION OF DIRECTORS
AND
REMUNERATION POLICY FOR SENIOR MANAGEMENT EMPLOYEES**

The Nomination and Remuneration Committee (NRC) has adopted a Charter which, inter alia, deals with the manner of selection of Board Directors and Managing Director & CEO and their remuneration. The Charter also deals with the remuneration Policy for Senior Management Employees. This Policy is accordingly derived from the said Charter.

1. CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS –

- i. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance & taxation, law & governance and general management.
- ii. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the Independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.
- iii. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act 2013.
- iv. The NRC shall consider the following attributes / criteria whilst recommending to the Board the candidature for appointment as Director.
 - a. Qualification, expertise and experience of the Directors in their respective fields;
 - b. Personal, Professional or business standing
 - c. Diversity of the Board
- v. In case of re-appointment of Non Executive Directors, the Board shall, take into consideration the performance evaluation of the Director and his engagement level.

2. REMUNERATION

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and The Companies Managerial Remuneration Rule 2014;
- ii. A Non Executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the NRC;
- iii. The NRC may recommend to the Board, the payment of commission on uniform basis to reinforce the principles of collective responsibility of the Board.
- iv. The NRC may recommend a higher commission for the Chairman of the Board of Directors taking into consideration his overall responsibility;
- v. In determining the quantum of commission payable to the Directors, the NRC shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- vi. The NRC may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee and the Compliance Committee of the Board subject to a ceiling on the total commission payable may be decided;
- vii. The total commission payable to the Directors shall not exceed as prescribed under Companies Act, 2013;
- viii. The Commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.
- ix. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company;

3. Managing Director & CEO

Criteria for selection / appointment

For the purpose of selection of the MD & CEO, the NRC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and qualifications as laid down under the Companies Act or other applicable laws.

Remuneration for the Managing Director & CEO

- i. At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director & CEO is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;
 - c. responsibility required to be shouldered by the Managing Director & CEO and the industry benchmarks and the current trends;
 - d. the Company's performance vis-a-vis the annual budget achievement and individual performance vis-a-vis the KRAs / KPIs;

Remuneration Policy for the Senior Management Employees

- i. "Senior Management Employees" means the Key Managerial Personnel as defined under the Companies Act, 2013 and on level below of the Board of Directors/Functional Heads.
- ii. In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the NRC shall consider the following:
 - a. the relationship of remuneration and performance benchmark is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
 - c. the remuneration is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive;
 - d. the remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-a-vis the annual budget achievement, individuals performance vis-a-vis KRAs I KPIs, industry benchmark and current compensation trends in the market;
- iii. The Managing Director & CEO will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment and performance incentive to the NRC for its review and approval.
- iv. The Managing Director will present a summary of the Qualitative Assessment of each of the Senior Management Employees in terms of their leadership style, their individual growth needs and the objectives set for the forthcoming years.

3. MEETING

The Committee shall meet at least once in a year. Additional meetings may happen as the Committee deems it appropriate and advisable. The Committee may meet in person or through other methods like video conferencing, audio conferencing etc. as may be permitted by law from time to time.

4. CIRCULAR RESOLUTION

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

5. MINUTES

The Company Secretary will maintain minutes of its meetings, which will be submitted to the Board for noting.

6. MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE –

The following matters shall be dealt with by the Committee: -

- a. Composition of the Board and its strength :** NRC shall periodically review the size and composition of the Board of Directors in order to maintain a knowledge and experience mix of executive, non-executive and independent Directors & its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;
- b. Succession plans:** Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
- c. Evaluation of performance:** (i) recommendations to the Board on performance criteria for the Directors & KMP (ii) formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third party facilitator as may deem fit. (iii) identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.
- d. Board diversity:** The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

7. POLICY REVIEW

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.
