

REMUNERATION POLICY

In terms of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee shall recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees and accordingly this policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

I. OBJECTIVES OF REMUNERATION POLICY

The remuneration for Directors, Key Managerial Personnel (KMP) and other employees of the Company is framed with the following broad objectives:

- i) Ensure that 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;
- ii) Motivate KMP and other employees and to stimulate excellence in their performance;
- iii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv) Ensuring that the remuneration to Directors and KMP achieve a balance between components of fixed & variable pay reflecting short and long performance objectives appropriate to the working of the Company and its goals;
- v) Retain, motivate and promote talent and to ensure long term sustainability of talented employees.

II. APPLICABILITY

The Policy is applicable to:

- Directors
- Key Managerial Personnel
- Other employees

III. KEY DEFINITIONS

- “Board” means Board of Directors of the Company
- “Directors” mean Directors of the Company
- “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- “Company” means JSW Severfield Structures Limited
- “Independent Director” means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules
- “Key Managerial Personnel (KMP)” means:
 - (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - (ii) Company Secretary; and
 - (iii) Chief Financial Officer
- “Remuneration” means remuneration as defined under section 2(78) of the Companies Act, 2013 including any amendment thereof

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

IV. REMUNERATION COMPONENTS AND INCREMENTS

The remuneration includes fixed and variable pay and retirement benefits. The compensation level are linked to factors such as Company's performance, individual performance and such other factors considered relevant from time to time. Compensation system provides for evaluation & revision of remuneration each year. The quantum of revision will depend upon individual performance and Company's overall performance. The promotions, if any, are given to employees on the basis of their capability and ability to take on higher responsibilities.

The remuneration to Executive Directors is linked to the individual's performance as well as the Company's performance and would be determined based on their experience, abilities, skill sets and knowledge base. The achievements in respect of these parameters are measured in comparison to the targets approved for the Company by the Board in the beginning of the year.

V. POLICY

General

1. The remuneration / compensation to the Whole-time Director / Executive Director / Managing Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration to be paid to the Managing Director / Whole-time Director / Executive Director shall be in accordance with the overall limits as percentage / slabs / conditions laid down in the Articles of Association of the Company and / or as per the provisions of the Companies Act, 2013 read with Schedule V and other applicable rules made thereunder.
3. Revision to the existing remuneration / compensation structure may be recommended by the Committee to the Board subject to approval of the shareholders when necessary, in the case of Managing Director / Whole-time Director / Executive Director and would be based on the individual's performance as well as the Company's overall performance.
4. Where any insurance is taken by the Company on behalf of its Managing Director / Whole-time Director / Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time Director / Executive Director / Managing Director

1. Fixed pay:

The Managing Director / Whole-time Director / Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale (fixed) and quantum of perquisites including, employer's contribution to P.F, pension scheme, gratuity, medical expenses, LTA, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee. The remuneration paid shall be approved by the shareholders and Central Government, wherever required.

2. Performance Based Remuneration:

In addition to fixed remuneration, the Company may implement a system of performance linked incentives designed to create a strong relationship between performance and remuneration.

The Company may conduct annual performance appraisals for Managing Director / Whole-time Director / Executive Director and the Committee shall recommend to the Board for any variation in the salary within the limits approved / may be approved by the shareholders.

3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time Director / Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

4. Provisions for excess remuneration

If any Managing Director / Whole-time Director / Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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 Directors

1. Remuneration:

The remuneration shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and / or the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Independent Director may 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 amount approved by the Board of Directors subject to the provisions of the Companies Act, 2013.

Remuneration to KMP and other employees

The KMP and other employees of the Company shall be paid remuneration as per the Company's policies and / or as may be approved by the Committee.

Amendments to the Policy

The Nomination & Remuneration Committee is responsible for monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make changes as and when required to facilitate a remuneration strategy, which will meet the needs of the Company.

In case of any amendments / clarifications etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then this Policy shall stand amended accordingly from the effective date as laid down thereunder.