

**NOMINATION AND REMUNERATION POLICY
OF
BIRLA CORPORATION LIMITED**

1 Preamble:

- 11 The Nomination and Remuneration Policy (hereinafter referred to as the "Policy") has been framed in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 12 This Policy provides a framework for identification of persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel or in Senior Management and recommend the same to the Board for their appointment.
- 13 This Policy also provides a framework for remuneration to be paid to the members of the Board of Directors (hereinafter referred to as "Board"), Key Managerial Personnel and the Senior Management Personnel of the Company (hereinafter collectively referred to as "Executives").

2 Definitions:

The definitions of some of the key terms used in this Policy are given below:

A. "Act":

Act shall mean the Companies Act, 2013 and Rules framed thereunder.

B. "Company":

Company shall mean Birla Corporation Limited.

C. "Listing Regulations":

Listing Regulations shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. "Policy" or "this Policy":

Policy or this Policy shall mean the Nomination and Remuneration Policy of Birla Corporation Limited.

E. "Committee" or "this Committee":

Committee or this Committee shall mean the Nomination and Remuneration Committee of the Board of Directors constituted under the provisions of Section 178 of the Act and the Listing Regulations.

F. "Key Managerial Personnel" or "KMP":

Key Managerial Personnel or KMP shall have the same meaning as defined under the Act and Rules framed thereunder.

G. "Senior Management" / "Senior Management Personnel (SMP)":

Senior Management/ Senior Management Personnel shall mean the officers and personnel of the Company who are members of its core management team, excluding

the Board of Directors, and shall comprise all the members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer or Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

Explanation: "Functional Head" means Employee of the Company who is designated as such or in charge of key departments or Units of the Company as may be decided by the Committee from time to time.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Listing Regulations or the Act and the rules / regulations made thereunder, as the case may be or in any amendment thereto.

3 Aims & Objectives:

The aims and objectives of this Policy may be summarized as follows:

- 3.1.1 The Policy aims to enable the Company to attract, retain, motivate and promote talent and to ensure long term sustainability of talented persons and create competitive advantage.
- 3.1.2 The Policy seeks to enable the Company to provide a well-balanced and performance-related remuneration package based on factors including the Company's size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry.
- 3.1.3 The Policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- 3.1.4 The Policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4 Policy Statement on Board Diversity:

The Company recognizes that Board Diversity forms one of the pillars of a robust Corporate Governance framework. The members of the Board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse

background, knowledge, race, genders and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner.

The Board of a Company should also provide leadership, strategic guidance, objective and an independent judgement to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to drive business result; enhance the quality and Independence of performance of the Board; improve the overall decision making ability and process, make corporate governance more effective and enhance the corporate reputation.

The Nomination and Remuneration Committee shall be responsible for reviewing and assessing the composition and performance of the Board. The Committee shall assess the appropriate mix of diversity in the skills, qualification, profession, experience and expertise irrespective of race, caste, creed, religion, gender and culture. . The Board shall have an optimum composition of Executive, Non-Executive and Independent Directors in accordance with the requirements of the Articles of Association of the Company, the Act, the Listing Regulations and other Statutory/ Regulatory requirements.

5 Criteria for identification and appointment of the Directors, KMP and SMP:

The Committee shall be responsible for identifying suitable candidate for appointment/ re-appointment as Director, KMP or SMP of the Company and recommend to the Board their appointment. The Committee has a discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out

their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

For every appointment of an Independent Director, the Committee shall evaluate the skills, knowledge, expertise and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended for such role shall meet the description.

In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements. Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions of the Act and the Listing Regulations for the time being in force.

The candidate for the appointment as KMP and SMP should possess adequate qualification, characteristics, work experience, high level of personal and professional ethics, integrity and values.

For the purpose of identifying suitable candidates, the Committee, amongst others may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity;
- c. consider candidates based on suggestion of other Directors;
- c. consider the time commitments of the candidates

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

For any appointment as KMP and SMP, the existing employees in the organisation may be preferred so long as the talent/ skills / experience required for the role is available within the Company. While assessing the candidature of existing employee, his/her past performance in the Company should be taken into consideration.

The existing employees preferred to be promoted to the position of SMP/ change in designation of SMP, excluding the members of the management one level below the Board of Directors, shall be jointly decided by the Managing Director and the Head of the Human

Resources department as per the policy of the Company.

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP and SMP, subject to the provisions and compliance of the Act and other applicable law.

6 Succession Plan for the Board and Senior Management:

The Committee shall identify suitable persons from among the existing top management personnel or from the sources as the Committee may deem fit to fill up the vacancy at the Board. Such appointment, re-appointment or removal shall be in accordance with the applicable provisions of the Act, Listing Regulations and other laws as applicable to the Company.

The vacancy at Senior Management shall be filled up by the Committee keeping in view the Company's mission, vision, values, goals and objectives. The Committee shall identify suitable persons as potential successors of Senior Management Personnel. The appointment of Senior Management Personnel shall be in accordance with the applicable provisions of the Act the Listing Regulations and other laws as applicable to the Company.

7 Evaluation:

The Committee shall carry out evaluation of performance of Board, its Committees thereof and individual Directors, yearly or at such intervals as may be considered necessary, based on the criteria for Evaluation forming part of the Performance Evaluation Policy of the Company.

8 Remuneration Structure:

The remuneration structure would normally depend upon the roles and responsibilities as well as the prevailing market practices. Executives unless otherwise decided by the Committee shall receive a competitive remuneration package, in line with the remuneration structure of the Company, consisting of the following components:

Fixed salary

This component of salary is competitive and reflective of the individual's role, responsibility

and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis. The base remuneration includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices and as per the rules of the Company.

Variable Components

A relevant part of remuneration is payable as variable salary linked to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set in this regard.

Personal benefits

Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.

9 Remuneration to Non-Executive Directors including Independent Directors:

- i. Non-Executive Directors including Independent Directors may receive remuneration by way of fees and reimbursement of expenses for attending meetings of the Board or committees of the Board. Provided that the amount of such fees shall not exceed the maximum amount as prescribed under the Act.
- ii. The Non-Executive Directors may be paid commission, subject to the limits computed as per the applicable provisions of the Act and Listing Regulations.
- iii. The Non-Executive Directors shall be entitled to receive such amount as may be approved by the Board for any other services rendered in professional capacity.
- iv. An Independent Director shall not be entitled to any stock option of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board, as it may consider appropriate with regard to the remuneration/ commission to be paid to the Non-Executive Directors which shall be subject to the provisions of the Act and the Listing Regulations.

10 Remuneration to Executive Directors:

The remuneration to be paid to the Executive Directors shall be governed by the provisions of the Act and the Listing Regulations and the approvals obtained from the Shareholders of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board, as it may consider appropriate with regard to the terms, conditions and remuneration to be paid to the Executive Directors.

11 Remuneration to KMP/ SMP:

The remuneration to be paid to KMP and SMP shall be recommended by the Nomination and Remuneration Committee and approved by the Board in accordance with the provisions of the Act and the Listing Regulations.

Increments to the existing remuneration structure of the SMP and Performance linked bonus payable to SMP for each financial year excluding the members of the management one level below the Board of Directors, shall be jointly decided by the Managing Director and the Head of the Human Resources department as per the policy of the Company.

12 Remuneration to other employees:

The remuneration of other employees shall be determined according to their qualifications, work experience, competencies as well as their roles and responsibilities in the Company and also in line with the remuneration structure of the Company. Individual remuneration shall be determined on the basis of evaluation done by the respective departmental heads in consultation with the HR head and duly approved by the Managing Director.

13 Policy review:

The Nomination and Remuneration Committee is entitled to review this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board of Directors for their approval.

14 Miscellaneous:

In case of any subsequent changes in the provisions of the Act or the Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act or the Listing Regulations, then the provisions of the Act or the Listing Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act or the Listing Regulations.

Date of Original adoption / Revision	Effective date of the Policy
8th May, 2014	8th May, 2014
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