

REMUNERATION AND NOMINATION POLICY

1. PREAMBLE

The remuneration policy of Orient Refractories Limited (“the Company”) is designed to motivate employees, improve productivity and retain manpower. The policy reflects the Company’s objectives for good corporate governance as well as sustained long term value creation for shareholders.

This policy applies to directors, Key Managerial Personals and other employees.

2. DEFINITIONS

2.1 Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2 Board means Board of Directors of the Company.

2.3 Directors mean Directors of the Company.

2.4 Key Managerial Personnel means

2.4.1 Chief Executive Officer or the Managing Director or the Manager;

2.4.2 Whole-time director;

2.4.3 Chief Financial Officer;

2.4.4 Company Secretary; and

2.4.5 Such other officer as may be prescribed.

2.5 Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. GUIDING PRINCIPLES

The guiding principle is that the remuneration and other terms of employment should effectively help in attracting and retaining committed and competent personnel.

Remuneration to Directors, Key Managerial Personnel and other employees involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

The Board on 28 May, 2014 changed the nomenclature of the Remuneration Committee as “Nomination and Remuneration Committee” and reconstituted the Committee.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

4. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following-

- a) To formulate a criteria for determining qualification positive attributes and independence of directors;
- b) To carry out evaluation of all the Directors;
- c) To recommend to the Board policy relating to remuneration of Directors, KMP & other employees,
- d) To carry out any other function as is mandated by the Board from time to time and to perform such other functions as may be necessary or appropriate for the performance of its duties.

5. CHAIRMAN

- a) The Chairman of the Committee shall be an independent director.
- b) In the absence of the Chairman, the member of the Committee present at the meeting shall choose one amongst them to act as Chairman.

6. FREQUENCY OF MEETING

The meeting of the Committee shall be held at such regular interval as may be required.

COMMITTEE MEMBERS' INTERESTS

- 6.1** A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 6.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING

- 8.1** Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 8.2** In the case of equality of votes, the Chairman of the meeting will have a casting vote.

9. DIRECTORS

Non-Executive Directors are paid remuneration in the form of sitting fees for attending the Board Meetings and committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

While deciding the remuneration of Managing Director and Executive Directors, the Nomination and Remuneration Committee considers pay and employment conditions in the industry, merit and seniority of the person.

The Committee encourage the balance between fixed and variable component in the remuneration which are based on the performance to achieve the Company's target.

The term of office and remuneration of whole time directors are subject to approval of the Board of Directors, shareholders and the limit laid down under the Companies Act,2013 from time to time.

10. REWARD POLICIES

Remuneration package for whole time directors/executive directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The whole time directors'/executive directors' remuneration comprises of salary, perquisites and performance based commission, reward apart from retirement benefits as per the rule of the Company.

The whole time directors/executive directors are entitled to customary non-monetary benefits such as Company's car, furnished accommodation, leave travel, health care benefits, communication benefit, club fee etc.

11. KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT

Appointment of KMP and senior management and cessation of the service are subject to the approval of the Nomination and Remuneration Committee and Board of Directors. Remuneration of KMP and senior management is decided by the Managing Director on the recommendation by the Whole Time Directors/Executive Directors concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors /Executive Directors. Total remuneration of KMP and senior management comprises of fixed based salary, perquisites, retirement benefit, motivation rewards, bonus and other non-monetary benefits.

12. OTHER EMPLOYEES

The remuneration of the other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of hiring. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/reward payments are applicable to the category of personnel as in case of those in the management cadre.

13. DISCLOSURE OF INFORMATION

The information of remuneration may be disclosed in the Company's annual financial statements as per statutory requirements.

14. APPLICATION OF THE REMUNERATION POLICY

This Remuneration Policy shall continue to guide all future employment of Directors, KMP, Senior Management and other employees.