

PRISM JOHNSON LIMITED
(FORMERLY PRISM CEMENT LIMITED)

CIN : L26942TG1992PLC014033

Registered Office : 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad – 500 016.
Corporate Office : “Rahejas”, Main Avenue, V. P. Road, Santacruz (West), Mumbai – 400 054.

REMUNERATION POLICY

Objective

The objective of the Remuneration Policy of Prism Johnson Limited (“the Company”) for members of the Board of Directors, Key Managerial Personnel (KMP) and Senior Management is to focus on enhancing the value, to retain and motivate employees and Directors for achieving the objectives of the Company and to place the Company in a leadership position.

The Nomination and Remuneration Committee (NRC) of the Board shall, while formulating the policy ensure that -

- a) 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;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

While deciding the policy on remuneration of Directors, the NRC may consider amongst other things, the duties and responsibilities cast by the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company, etc.

The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

Definitions

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

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” (‘KMP’) means

- Managing Director;
- Executive Director;
- Chief Executive Officer;
- Chief Financial Officer;
- Company Secretary;
- such other officer, not more than one level below the Directors who is in wholetime employment, designated as KMP by the Board; and
- such other officer as may be prescribed.

“Senior Management” shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Executive Director & CEO/Managing director (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer. Administrative staff shall not be included.

‘SEBI LODR’ shall mean the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

Directors

Remuneration of the Directors reflects the overall remuneration philosophy and guiding principle of the Company.

As per the policy followed by the Company, the Non-executive Directors are paid remuneration in the form of sitting fees for attending Board and Audit Committee meetings as fixed by the Board of Directors from time to time, subject to statutory provisions.

The NRC while designing the remuneration considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. While considering the remuneration, the NRC ensures a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration is linked to the achievement of corporate performance targets.

Managing Director and Executive Directors

The term of office and remuneration of Managing Director and Executive Directors are subject to the approval of the Board of Directors, shareholders and Central Government, as may be required and the limits laid down under the Act from time to time.

Remuneration for Managing Director and Executive Directors are designed to remunerate them fairly and responsibly. The remuneration comprises of salary, perquisites and performance based incentive apart from retirement benefits like P.F., Superannuation, pension, Gratuity, Leave Encashment, etc., as per Rules of the Company and as may be mutually agreed to by the Managing Director/Executive Director(s) and the NRC/Board.

While considering the appointment and remuneration of Managing Director and Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Managing Director and Executive Directors in accordance with the provisions of Schedule V of the Act.

If any Managing Director and Executive Directors 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. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

The Managing Director and Executive Directors are entitled to customary non-monetary benefits as per policies of the Company from time to time.

Non-executive Directors

The remuneration of the Non-executive Directors is subject to the limits laid down under the Act and SEBI LODR.

The Non-Executive Directors (NEDs) are paid remuneration by way of commission and sitting fees. In terms of the shareholders' approval, the commission is paid at a rate not exceeding 1% per annum of the profits of the Company (computed in accordance with the applicable provisions of the Act). The distribution of commission amongst the NEDs shall be approved by the NRC/Board.

At present, the Company pays sitting fees to the NEDs for attending the meetings of the Board and Audit Committee constituted by the Board. The Board shall, at its discretion, pay sittings fees to the NEDs for attending any other Committee meetings.

Key Managerial Personnel and Senior Management

Terms and conditions of the appointment including the remuneration of KMPs are subject to the approval of the NRC and the Board of Directors. The NRC to approve and recommend to the Board for its approval all remuneration payable from time to time to Senior Management (as defined in SEBI LODR), including remuneration payable to new appointees in the cadre of Senior Management, by way of increments and promotions, performance linked payments, ex-gratia payments, etc., in accordance

with the approved Remuneration Policy. The remuneration of the Senior Management shall be decided based on this Policy.

Total remuneration comprises of :

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of house rent allowance/accommodation, reimbursement of medical expenses, insurance, conveyance, telephone, leave travel, etc., as may be mutually negotiated and as applicable as per Company Rules.
3. **Retirement benefits** - contribution to PF, superannuation, pension, gratuity, etc. as may be applicable as per Company Rules.
4. **Motivation /Reward** - A performance appraisal is carried out annually and promotions/increments/ rewards are decided based on the appraisal and recommendation of the concerned Executive Director, where applicable, as per Company Rules.

The annual variable pay of Senior Management is linked to the performance of the Company/respective Divisions in general and their individual performance for the relevant year measured against specific Key Result Areas.

The Company while deciding the remuneration of the Senior Management members takes into consideration, inter alia, the following items:

- a) merit and seniority of the person

- b) employment scenario
- c) industry benchmark.

Other employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. 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 are applicable to this category of personnel as in the case of those in the senior management cadre.

Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Managing Director, Executive Director & CEOs and KMPs may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

This Policy shall be placed on the website of the Company and the salient features of the Policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board's Report.

This Policy shall be effective from the financial year 2014 – 15 and shall be subject to modification from time to time. The Policy is amended pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and the amendments to the Act. The amended Policy will be effective from April 1, 2019.
