

GMMCO LIMITED REMUNERATION POLICY

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A. INTRODUCTION:

The remuneration policy ("**Policy**") for the non-executive Directors (including independent Directors) on the Board of Directors ("**Board**"), Managing/Whole Time Director/s, and the key managerial personnel (the Company Secretary, Chief Financial Officer, HR Head and the heads of the various business units/Functions and such other officer as may be prescribed under the Act) ("**Executives**") of the Company ("**Company**") reflects the interests of the shareholders and the Company.

In addition, this Policy is aimed at attracting, motivating and retaining manpower in a competitive and international market, and helps promote good corporate governance and achieve long term goals for safeguarding the Company's interests.

B. COMPENSATION GOVERNING DIRECTORS:

1.0 Remuneration of Non-Executive / Independent Directors

The Non-Executive Directors (including independent Directors) on the Board will receive following remuneration:

- **Sitting Fees:** Non-Executive Directors receive fixed sitting fees, which is decided by the Board in accordance with the Act.
- In addition to the sitting fees, the Non-Executive Directors, who are also members of one of the Board committees, receive sitting fees for participation in such Board committee meetings.

The sitting fees for participation in such Board committee meetings are also approved by the Board in accordance with the Act.

- Any other remuneration which Board may decide in accordance with the Act.

2.0 Remuneration of Managing Director/ Whole- time directors:

- *Managing Director or whole-time director may be appointed pursuant to a resolution of the Board, which is confirmed by shareholders in the succeeding annual general meeting of the company and on such terms and conditions as the Board may deem fit.*
- *The committee will submit proposal to the Board with regard to remuneration of Managing Director/Whole time directors and same will be approved by the Board and the same will also be submitted for approval of shareholders (by ordinary resolution, and in case of inadequacy of profits by special resolution) and if required the company also obtains Central Government approval.*
- *The Committee will review yearly revision in the remuneration to MD/Whole time Directors and submits the same to Board for approval. In case the proposal exceeds the approval given by shareholders earlier, the same will also be submitted for approval of shareholders in a general meeting.*
- *The aggregate remuneration will be in accordance with the Act.*

C. COMPENSATION POLICY APPLICABLE TO EMPLOYEES OTHER THAN DIRECTORS:

1.0 Purpose

The purpose of the policy is to provide guidelines for determining compensation to the employees and effectively administering compensation

2.0 Objectives

Compensation structure and programs are designed with the following objectives:

- **Attract, retain high quality employees** by providing compensation competitive with companies with which GMMCO compete for business or for people.
- Develop and implement **Grade/Level and Role based compensation structure.**
- To administer **periodic compensation revision based upon performance, potential, value of contribution and market factors.**
- Reward employees variably based on Performance **reinforcing high performance culture enhancing investor value.**
- To design and periodically review **Compensation structure to facilitate mobility of people across locations / business verticals / SBUs**
- **Meet all legal requirements** governing Compensation.

- Endeavor to provide **long term benefits / rewards**.

3.0 Coverage

This policy covers all employees on the rolls of GMMCO LTD. excluding Managing Director & CEO, Consultants, Contract employees (both direct and indirect) & Casual employees, vendors.

4.0 Determining Compensation & Periodic review for Existing employees

Every year a Compensation and Benefits Study will be conducted by the HR department.

The current compensation levels will be compared with compensation paid to similar employees of comparator companies. Comparator Companies are those companies with which GMMCO competes for business or for recruitment of people.

Gaps in compensation, if any, between GMMCO & Comparator Companies, will be periodically reviewed.

5.0 Determining Compensation for New Recruits

Grade based Compensation for the new recruits will be fixed, based on the Qualification, Years of relevant experience, quality of experience, role, current compensation and comparable compensation paid to the existing employees to maintain internal equity.

6.0. Components of General Compensation Structure:

The general compensation structure may in appropriate cases include the following;

Basic Pay, House Rent Allowance, Conveyance Allowance and other Variable Allowances. Driver Allowance / Special Allowance in lieu of Superannuation (for certain grades only), LTA, Medical Reimbursement and other job / Location / level specific allowances such as Professional Allowance, Technical Allowance, Trainer Allowance, Outfit Allowance, Lunch Allowance, Washing Allowance Site Allowance, GET/MT Allowance, UG Mining, Special City Allowance, Workshop Allowance.

HR department is responsible for administering the Compensation structure, applicable to employees.

Performance Pay – In appropriate cases a specified percentage of the CTC is fixed as PRP (Paid based on Individual Performance) & PIP (Paid based on Company Performance). PRP & PIP is paid to eligible employees annually, as per terms of appointment and in accordance with Company Policy.

Terminal Benefits - Company contributes towards a) Provident Fund, b) Gratuity Fund c) Superannuation Fund as applicable. The above funds and other related statutory and financial matters are managed by the Finance department.

Other benefits – The Company offers certain benefits as part of its overall compensation package like Personal Accident Insurance, Medical Insurance, Transfer benefits, Hard Furnishing Benefit, work related benefits including car, telephones/broadband at home, work related

newspapers/magazines. The extent of individual benefit is negotiated with each individual executive.

Statutory Deductions towards PF, ESI, Gratuity, Professional Tax, Labor Welfare Fund, Income Tax etc will be made as per provisions of the respective legislation. Finance department is responsible for payment of compensation as per terms and for making all statutory deductions and payment to statutory authorities.

Deductions - Deductions will be made as per Payment of wages Act as applicable and in accordance with company policy. Statutory deductions as well as other deductions made from an Employee's salary on a monthly basis could be towards contributory funds or against advances availed.

7.0 Payment of Salary

GMMCO LTD has arrangements currently with certain Banks for payment of salary. Salary will be credited to the employees authorized salary account on the last day of the month and in any case as per Payment of wages Act.

8.0 Amendment to the policy.

The Company reserves the right to modify or delete any provisions of this policy or add any new provisions at any time without referring to any one or assigning any reasons

D: Responsibility of the Committee

The Committee is responsible for:

- formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
- advising the Board on issues concerning principles for remuneration, remunerations and other terms of employment for the Non-Executive Directors and the Executives;
- monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Non-Executive Directors and the Executives;
- monitoring and evaluating the application of this Policy;
- monitoring and evaluating current remuneration structures and levels in the Company; and
- any other responsibility as determined by the Board

The Committee is further responsible for the review and recommendation to the Board of share and share-price related incentive programs.
