NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

This policy on nomination and remuneration of directors, Key Managerial Personnel and senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVES AND COMMITTEE:

The Committee Shall:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director (executive/non-executive/independent) and recommend to the Board a Policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
2. Formulatecriteria for evaluation of Independence of Directors and the Board.
3. Devisea policy on Board diversity.
4. Identity persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
5. Recommend theappointment and removal of director, KMP and Senior Management Personnelto the Board.

DEFINITIONS:

- **"Board"** Board means Board of Directors of the Company.
- **"Director"** Directors means Directors of the Company.
- **"Committee"** Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"** Company Means **Shri Rathi Steel Limited.**
- **"Independent Director"** As provided under the Companies Act, 2013, 'Independent Director shall mean a non-executive director, other than a nominee director of the Company.

    a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

    b. (i) Who is or was not a promoter of the Company or its holding, subsidiary or associate company;

    (ii) Who is not related to promoters or directors in the Company, its holding, subsidiary or associate company.

c. Apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per percentor more of its gross turnover or total income or fifty lacs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. Who, neither himself nor any of his relatives-

(i) Holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
(iii) a Firm of auditors or Company Secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;or
(iv) Any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary, or associate company amounting to ten per cent or more of the gross turnover of such firm;
(v) Holds together with his relatives two percent or more of the total voting power of the Company; or
(vi) Is a Chief Executive or director, by whatever name called, of any non – profit organization that receives twenty – five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
(vii) Is a material supplier, service provider or customer or a lessor or lessee of the Company;

f. Who is not less than 21 years of age.

- **"Key Managerial Personnel": - Key Managerial Personnel (KMP) means-**
  (1) The Chief Executive Officer or the Managing director or the Manager;
  (2) The Company Secretary;
  (3) The Whole Time Director
  (4) The Chief Financial Officer; and
  (5) Such other official as may be prescribed under the applicable statutory provisions/regulations.

- **"Senior Management":** - The Expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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.

APPLICABILITY:

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Managerial Personnel

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board has the power to constitute/reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. During the year 2021-22, Board has reconstituted committee in compliance of the provisions of Companies Act 2013.

At present, the Nomination and Remuneration Committee comprises of following members:

I. Mrs. Jyoti Singhal
II. Mr. Arpit Mittal
III. Mr. Anil Rathi

Among the present members, Mrs. Jyoti Singhal and Mr. Arpit Mittal are eligible to be elected as chairman of the meetings of the committee.

GENERAL APPOINTMENT CRITERIA:

i The Committee shall consider the ethical standards of integrity and probity, qualification,expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/her appointment.

ii. The Company should ensure that the person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.

iii. The Director/Independent Director/KMP Senior Management Personnel Shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

The Committee shall consider qualifications for Independent Directors as mentioned herein earlier under the head "Definitions" and also their appointment shall be governed under Companies Act, 2013.

TERM/TENURE:

The Term/tenure of the Directors shall be governed as per the provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel, Subject to the provisions and compliances of the said Act, rules and regulations.

CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. **EXECUTIVE DIRECTORS:**

   The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the board from time to time.

2. **NON EXECUTIVE DIRECTOR**

   The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

   (a) Act objectively and constructively while exercising their duties;
   (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
   (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
   (d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personnel advantage or advantage for any associated person;
   (e) Refrain from any action that would lead to loss of his independence.
   (f) Inform the Board immediately when they lose their independence.
   (g) Assist the Company in implementing the best corporate governance practices.

(h) Strive to attend all meetings of the Board of Directors and the Committees.
(i) Participate constructively and actively in the committees of the Board in which they are Chairpersons or members;
(j) Strive to attend the general meetings of the Company.
(k) Keep themselves well informed about the Company and the external environment in which it operates;
(l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
(m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.
(n) Abide by Company's memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

POLICY ON BOARD DIVERSITY:

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, quality Assurance, Finance, sales and Marketing, Supply Chain, Research and Development, Human Resources etc., or as may be considered appropriate.

The Board shall have at least one Board Member who has accounting or related financial management expertise and at least three members who are financially literate.

REMUNERATION:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and Composition of remuneration so determined by the committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management required to run the Company Successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long – term performance objectives appropriate to the working of the Company and its goals:

i. DIRECTOR/MANAGING DIRECTOR:

Besides the above criteria, The Remuneration /Compensation /Commission etc. to be paid to Director/Managing Director etc., shall be governed as per provision of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

ii. NON EXECUTIVE INDEPENDENT DIRECTORS/ KMPs/SENIOR MANAGEMENT PERSONNEL ETC.

The Remuneration to be paid to Non Executive Directors/KMPs/Senior Management Personnel shall be Based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

iii. DIRECTORS AND OFFICERS INSURANCE:

The Company has not taken any insurance on behalf of its directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability. The Premium paid, on any such insurance taken in future, shall not be treated part of the remuneration payable to such personnel.

For Shri Rathi Steel Limited

SHRI RATHI STEEL LTD.

Jyoti Singhal

Jyoti Singhal DIRECTOR
Independent Director
08363926

Date:24.12.2021
Place: Noida