

**STEELCAST LIMITED**  
**Policy on Nomination & Remuneration**

- 1. Introduction:** In terms of Section 178 of the Companies Act, 2013, and the Listing Agreement entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.
- 2. Objective of the Policy:** The policy is framed with the following objectives:
  - 2.1** That 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
  - 2.3** That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
  - 2.4** That the remuneration to Directors and Key Managerial Personnel (KMP) 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
  - 2.5** To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration
  - 2.5** To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry
  - 2.6** To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
  - 2.7** To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
  - 2.8** To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance
- 3. Definitions:** In this Policy, unless the context otherwise requires, the following definitions shall apply:
  - 3.1** 'Act' means Companies Act, 2013, and rules thereunder
  - 3.2** 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company
  - 3.3** 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
  - 3.4** 'Company' means STEELCAST LIMITED
  - 3.5** 'Directors' means Directors of the Company
  - 3.6** 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013
  - 3.7** 'Key Managerial Personnel' (KMP) means:
    - a.** Chief Executive Officer and / or Managing Director
    - b.** Whole Time Director
    - c.** Chief Financial Officer
    - d.** Company Secretary
    - e.** Such other officer as may be statutorily prescribed
  - 3.8** 'Ministry' means the Ministry of Corporate Affairs

- 3.9.** 'Regulations' refers to and comprises Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy
- 3.10** 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.
- 3.11** 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.

#### **4. Nomination and Remuneration Committee:**

##### **4.1 Guiding Principles for constitution of Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such a Committee.

- 4.2** The Committee will meet at such intervals as it deems fit to carry out the objectives set out in the Policy. A quorum of two members) is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

- 4.3 Committee Members:** The Nomination and Remuneration Committee shall, for the present, consist of the following Directors:

<b>Name</b>	<b>Category</b>	<b>Designation</b>
Mr. Rameshchandra V Shah	Independent Director	Chairman
Mr. Rajendra V Gandhi	Independent Director	Member
Mr. Apurva R Shah	Independent Director	Member
Mr. Rajesh R. Gandhi	Independent Director	Member

#### **5. Role of the Committee:**

- 5.1** The Committee shall:
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
  - Identify persons who are qualified to become a Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
  - Lay down the evaluation criteria for performance evaluation of Independent Directors and the Board;
  - Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
  - To devise a Policy on Board diversity.
- 5.2** The Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.
- 5.3** Provided that Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

- 6. Applicability:** This Policy is applicable to:
- a. Directors viz. Executive, Non-executive and Independent
  - b. Key Managerial Personnel
  - c. Senior Management Personnel
  - d. Other Employees of the Company as may be decided by the Board
- 7. Appointment criteria and qualification:**
- 7.1** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.
- 7.2** For the appointment of KMP (other than Managing / Whole time Director) or Senior Management Personnel, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorized to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.
- 8. Term / Tenure:** The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Clause 49, as amended from time to time. However, the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.
- 9. Training of Independent Directors:**
- 9.1.** The company shall provide suitable training to Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc as per **ANNEXURE- A** to this Policy..
- 9.2.** The details of such training imparted shall be disclosed in the Annual Report
- 10. Evaluation:**
- a. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.
  - b. Framework for performance evaluation of Independent Directors and the Board is as per **ANNEXURE- B** to this Policy.
- 11. Disqualifications for Appointment of Directors:**
- 11.1** Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:
- a. He is of unsound mind and stands so declared by a competent court;
  - b. He is an undischarged insolvent;
  - c. He has applied to be adjudicated as an insolvent and his application is pending;
  - d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
- i. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- ii. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- iii. He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- iv. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- v. He has not complied with sub-section (3) of section 152.

**11.2. No person who is or has been a director of a company which:**

- a. Has not filed financial statements or annual returns for any continuous period of three financial years; or
- b. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so

**12. Removal:** The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any

**13. Retirement:** The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**14. Remuneration of Managing / Whole Time Director, KMP & Senior Management Personnel:**

**14.1** The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.

**14.2** Further, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

**16. Remuneration to Non-Executive / Independent Director:** The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

**16. Dissemination:** The details of the Policy and the evaluation criteria as applicable shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.

**ANNEXURE- A**  
**Familiarization Programme for Independent Directors**

1. As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Company is required to develop a Familiarization Programme for the Independent Directors of the Company.
2. The Company will impart Familiarization Programme for new Independent Directors inducted on the Board of the Company.
3. The Familiarization Programme of the Company will provide information relating to the Company, the type of market and geographies in which the Company operates, business model of the Company etc.
4. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company. The Managing Director or such other authorized officer(s) of the Company shall lead the Familiarization Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorized officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

**ANNEXURE- B****Framework for performance evaluation of Independent Directors and the Board**

As per the provisions of Clause 49, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Clause 49, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Directors and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - 2.1 Knowledge to perform the role;
  - 2.2 Time and level of participation;
  - 2.3 Performance of duties and level of oversight; and
  - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.