

## **NOMINATION AND REMUNERATION POLICY**

### **1. INTRODUCTION:**

The Nomination and Remuneration Policy ("Policy") of the Company has been formulated in accordance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and sets out the criteria to pay remuneration to the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

The Nomination and Remuneration Policy ("Policy") has been adopted by the Board of Directors of the Company at its meeting held on 30.05.2014 which was made effective with immediate effect. This amended Policy is approved by the Board in its meeting held on 12.02.2024 and made effective with immediate effect

The Board reserves the right to alter any provision or replace the policy with a new one either wholly or in part whenever required subject to the policy shall be inconsistent with the applicable law, rules and regulation as amended from time to time.

### **2. SCOPE:**

The Key Objectives and scope of the Nomination & Remuneration Committee would be:

- a) To formulate the criteria for determining qualifications, positive attributes and independence for appointment and removal of a director.
- b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short-term and long-term objectives appropriate to the working of the Company and its goals.

### **3. DEFINITIONS:**

**"Act"** means Companies Act, 2013 and rules thereunder.

**"Board"** means Board of Directors of the Company

**"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

**"Company"** means Rathi Bars Limited (RBL)

**"Independent Director"** means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under the Companies Act, 2013 and the LODR Regulations.

**“Key Managerial Personnel”** means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- i. Managing Director or Executive Director or Chief Executive Officer or Manager
- ii. Whole-time Director;
- iii. Company Secretary;
- iv. Chief Financial Officer and
- v. such other officer as may be prescribed.

**“Policy”** means Nomination and Remuneration Policy.

**“Senior Management”** shall have the same meaning as specified in LODR Regulations and the Act, from time to time.

#### **4. OBJECTIVES AND PURPOSE**

The objective and purpose of this policy is as follows: -

- 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 and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and other employees.
- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### **5. FUNCTIONS OF COMMITTEE:**

- The Nomination and Remuneration Committee shall, perform the functions as prescribed under the Act and LODR Regulations from time to time.
- The Chairperson of the Nomination and Remuneration Committee or in his/ her absence, any other member of the committee authorized by the Chairperson in this behalf shall attend the general meetings of the company.
- Provided that Nomination and Remuneration Committee shall set up 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. CONSTITUTION, CHAIRPERSON, QUORUM AND FREQUENCY OF MEETING OF NOMINATION & REMUNERATION COMMITTEE:**

- The Board shall determine the membership of the Committee.
- The Committee shall comprise at least three members which shall be non- executive directors out of which not less than 2/3<sup>rd</sup> be independent directors.

- One of the independent non-executive directors shall be designated by the Board to serve as the Committee’s Chairperson.
- The Company Secretary of the Company shall act as the Secretary of the Committee.
- The Committee shall meet at least 1 time in a financial year.
- The quorum shall be as prescribed under the Act or LODR Regulations
- The present composition of the Committee is:

S. No.	Name	Designation
1.	Ms. Shikha Chakraborty	Chairperson
2.	Ms. Sonali V. Chitalkar	Member
3.	Ms. Rajendra Prasad	Member

**7. MINUTES OF COMMITTEE MEETING:**

Proceedings of all meetings shall be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

**8. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (“KMP”) AND SENIOR MANAGEMENT PERSONNEL (“SMP”):**

**(A) Appointment criteria and qualifications for Director, KMP and SMP:**

- a) The Committee shall identify and evaluate the balance of skills, knowledge, experience, integrity, qualification, expertise and positive attributes of the person for appointment as Director and recommend to the Board his / her appointment.
- b) The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company’s corporate strategy.
- c) The President (HR) of the Company, under the overall superintendence and control of the Chairperson & Managing Director, will undertake the process of appointment of KMP and/or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.
- d) Upon finalization of appointment of a person for the position of KMP and/or SMP by the Chairperson and Managing Director and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/or SMP, as the case may be.

**(B) Term/ Tenure:**

**A. Managing Director/ Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Chairperson & Managing Director, Executive Chairperson, Managing Director or Executive Director for a term not exceeding five years at a time.
- No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

## **B. Independent Director**

- An Independent Director shall hold office for a term up to five years (unless appointed for a shorter term) on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re-appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

## **(C) Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and/ or the KMP subject to the provisions and compliance of the applicable Acts, rules and regulations.

However, the decision to remove the SMP shall be taken by the Chairperson & Managing Director.

## **(D) Retirement:**

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. While the Board will have the discretion to retain the Director, the discretion to retain KMP and/or SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company shall vest with the Chairperson & Managing Director of the Company.

## **9. POLICY RELATING TO THE REMUNERATION:**

In discharging its responsibilities, the committee shall have regard to the following policy objectives: -

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- To attract and retain competent executives;
- To plan short and long-term incentives to retain talent;
- To ensure that any severance benefits are justified.

## **(A) General -for the Whole time Director:**

- a) The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, if required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act and the Rules framed thereunder.

- c) The Company shall appoint or re-appoint any person as its Chairperson & Managing Director, Executive Chairperson, Managing Director or Executive Director for a term not exceeding five years at a time.
- d) No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

**(B) Remuneration to Whole-time / Executive / Managing Director:**

**a) Fixed pay:**

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board and approved by the shareholders, if required.

**b) Commission:**

Commission may be paid within the limits approved by shareholders.

**c) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

**d) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without approval required under section 197 of the Companies Act, 2013, he/ she shall refund such sums to the Company within two years or such lesser period as may be allowed by 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 approved by the company by special resolution within two years from the date the sum becomes refundable.

**(C) Remuneration to Non- Executive / Independent Director:**

**a) Remuneration / Commission:**

The remuneration/ commission shall be fixed as per the slabs and conditions mentioned in the Act.

**b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**d) Remuneration to Key Managerial Personnel and Senior Management Personnel:**

The remuneration of KMP and SMP shall be determined by the management of the Company as per their roles and responsibilities in the organization, skill sets, seniority, experience, the last drawn remuneration and prevailing remuneration for equivalent jobs.

Broadly, the remuneration structure of KMP and SMP shall include the following components:

- i. Basic pay
- ii. HRA
- iii. Allowances
- iv. Perquisites and Benefits
- v. Retiral benefits
- vi. Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs. with liberty to the management to allocate the amounts towards various salary components subject to there being no change in the overall Cost to the Company.

**10. AMENDMENTS:**

This Policy may be amended by the board at any time and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including LODR Regulations.

**VERSION**

<b>Version</b>	<b>Approved By</b>	<b>Approval Date</b>
1.	Board of Directors	30.05.2014
2.	Board of Directors	12.02.2024