

## **PADMANABH ALLOYS & POLYMERS LIMITED**

### **NOMINATION, REMUNERATION AND EVALUATION 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 other Applicable Provisions and set the standards for the Nomination, Remuneration and Evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

#### **2. Objective and 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 of Directors and Key Managerial Personnel.
- 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. Functions of Committee :**

- a) The Nomination and Remuneration Committee shall, perform the functions as prescribed under the Companies Act, 2013 and other Applicable Provisions from time to time.
- b) 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.

#### **4. Constitution, Chairperson, quorum and frequency of meeting of Nomination & Remuneration Committee :**

The Constitution, Chairperson, quorum and frequency of meeting of Nomination & Remuneration Committee shall be as stated in the Companies Act, 2013 and other Applicable Provisions from time to time.

## **5. Minutes of Committee Meeting :**

Proceedings of all meetings shall be entered in the minute book and signed by the Chairman of the Committee at the subsequent meeting.

## **6. 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**

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, KMP and SMP and recommend to the Board his / her appointment.

### **(B) Removal**

Due to reasons for any disqualification mentioned in the Companies 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 and / or SMP subject to the provisions and compliance of the applicable Acts, rules and regulations.

## **7. Policy for Remuneration :**

### **(A) Remuneration to Whole-time Director (“WTD”), Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”)**

1. Remuneration to WTD, KMP and SMP will be recommended to the board by the committee and same shall be subject to approval of shareholders and/or central government where ever required.
2. Remuneration shall be in accordance with the provisions of the Companies Act, 2013 and other applicable acts and provisions.
3. Increment to existing remuneration shall be as per recommendation of committee and within the limits approved by shareholders.
4. They shall be entitled to monthly remuneration as approved by the board on recommendation of the committee and same shall be in accordance with the provision of the Companies Act, 2013 and rules made there under. The breakup of pay scale and quantum of perquisites and non-monetary benefits shall also be approved by board on recommendation of the committee.
5. They shall also be eligible to performance linked incentives as may be determined by board.
6. They may also be paid commission as may be approved by shareholders.
7. They shall be entitled to minimum remuneration in accordance with Schedule V of the Companies Act, 2013 in event of no profit or inadequacy of profit.

**(B) Remuneration to Non-executive / Independent directors:**

1. The remuneration shall be in accordance with the Companies Act, 2013 and rules made there under.
2. The non-executive/independent directors may receive sitting fees for attending the meeting of board of directors or a committee which shall be within the prescribed limit under the act. Non – executive directors shall be reimbursed travelling and incidental expense for attending the meeting.
3. Non- executive directors may also be paid commission subject to approval by the shareholders and within the limit not exceeding 1% of the profit of the company.
4. Non-executive directors shall not be entitled stock options.

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