



# **RAM RATNA WIRES LIMITED**

## **NOMINATION & REMUNERATION POLICY**

(Approved on 8<sup>th</sup> February, 2019)

## **INTRODUCTION**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and other employees has been formulated in terms of the provisions of Section 178 the Companies Act, 2013 ("Act") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") as amended from time to time in order to pay equitable remuneration to the Directors, KMPs, employees and Senior Management of the Company.

## **OBJECTIVE AND PURPOSE OF THE POLICY**

**The objective and purpose of this policy are:**

- To guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members on the Board and provide necessary report to the Board for further evaluation of the Board Members.
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management
- To recommend reward(s) payable to the KMP and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To do all such other acts / deeds as may be prescribed by the Board.

## **DEFINITIONS**

"Board" means Board of Directors of the Company.

"Director" means Directors of the Company who are members of the Committee.

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

"Company" means Ram Ratna Wires Limited.

"Independent Director" means a director referred to in Section 149(6) of the Act.

"Key Managerial Personnel" (KMP) means

- i. the Chief Executive Officer or the Managing Director; or Manager;
- ii. the Company Secretary.
- iii. the Whole- time director;
- iv. the Chief Financial Officer;

- v. such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.

“Senior Management” means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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.

### **ROLE OF COMMITTEE**

**The role of the Committee inter-alia will be the following:**

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

### **MEMBERSHIP**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least fifty percent of the directors shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act, and applicable statutory requirements.
- c) Either two (2) or one third (1/3rd) of the Directors of the Committee, whichever is greater, including at least one Independent director in attendance shall constitute a quorum for the Committee meeting
- d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board.

#### **CHAIRPERSON**

a) Chairperson of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairperson.

d) Chairperson of the Committee shall be present at the Annual General Meeting or may authorize any other member of the Committee to answer the shareholders' queries.

#### **CRITERIA FOR APPOINTMENT OF DIRECTORS**

The qualifications required for appointment of Directors (including Independent Directors) are as below:

- a) Persons of eminence, integrity, standing and professional qualification and knowledge.
- b) Composition of the Board, taking into consideration the size of the Company and consistent with the requirement of law i.e. provisions of Companies Act, 2013, Rules made thereunder and SEBI Regulations.
- c) Expertise and experience in specific area of business.
- d) Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- e) Any other criteria which may be added by the Board at its discretion.

The Committee on satisfaction of a potential candidate meeting the specified criteria will recommend such persons' candidature to the Board for appointment as a Non- Executive Director or Independent Director or Executive Director, as the case may be.

The Committee may recommend the candidates to the Board when:

- a) Any vacancy in the Board is required to be filled due to retirement or resignation or;
- b) Any vacancy arisen out of annual Board/ Director performance evaluation or;
- c) Any vacancy as a result of end of tenure in accordance with the Act, Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or;
- d) Any change required in the Board on account of diversity or;
- e) Any change required by law.

#### **CRITERIA FOR APPOINTMENT OF KMP/SENIOR MANAGEMENT**

The following criteria to be considered for appointment of KMP/Senior Management Personnel:

- a) To possess the required qualifications, skills, expertise to effectively discharge their duties and responsibilities.
- b) Person of Integrity, honesty, transparency and should possess adequate experience.

The Committee may consider internal as well as external candidates for such Senior positions and make recommendations to the Board regarding the appointment and changes to the Senior Management positions of the Company.

#### **REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL**

The Committee to consider the following criteria in recommending the remuneration of Directors, KMP & Senior Management:

- a) The trend prevalent in the similar industry, nature and size of business to arrive at a competitive quantum of remuneration.
- b) Remuneration should strike a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the Company's working and goals.
- c) To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management of the quality required to run the Company successfully and to achieve the Company's objectives and shareholder's interests.
- d) Provisions of law with regards to payment of remuneration, as may be applicable are complied.

#### **MEETINGS**

The meetings of the Committee shall be held as and when required. The Committee shall meet at least once in a year.

Proceedings of all meetings must 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 meeting.

#### **COMPANY SECRETARY**

The Company Secretary shall act as the secretary to the committee.

#### **COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated; The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **POLICY REVIEW**

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act, then the provisions of the act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in applicable law or as may be felt appropriate by the Committee. Any changes or modification in the policy as recommended by the Committee would be given for approval of the Board of Directors.