

## **Nomination and Remuneration Policy**

### **1. INTRODUCTION:**

The Nomination & Remuneration Policy ("Policy") of Latim Metal & Industries Limited ("Company") is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

### **2. OBJECTIVE AND PURPOSE:**

The objectives and purpose of this Policy are:

- 2.1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company ("Director"); and
- 2.2. To recommend policy relating to the appointment, removal and remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company ("Board").
- 2.3. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 2.4. To provide to KMP and Senior Management reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- 2.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### **3. COMPOSITION OF A COMMITTEE**

The Committee comprises of the following:

- 3.1. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 3.2. Minimum two (2) members shall constitute a quorum for the Committee meeting.

- 3.3. Membership of the Committee shall be disclosed in the Annual Report
- 3.4. Term of the Committee shall be continued unless terminated by the Board of Directors.

#### 4. DEFINITIONS

- 4.1. **'Board'** means Board of Directors of the Company.
- 4.2. **'Directors'** means directors of the Company.
- 4.3. **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- 4.4. **'Company'** means Bansal Roofing Products Limited.
- 4.5. **'Independent Director'** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- 4.6. **'Key Managerial Personnel (KMP)'** means
  - i) the Managing Director or Chief Executive Officer or manager
  - ii) Whole-time Director
  - iii) the Company Secretary;
  - iv) the Chief Financial Officer; and
  - v) Any other person as defined under the Companies Act, 2013 from time to time
- 4.7. **Senior Management** means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### 5. ROLE OF COMMITTEE

##### 5.1. **Matters to be dealt with, perused and recommended to the Board by the Committee**

The Committee Shall,

##### **(a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

**(b) Directors:**

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

**(c) Succession plans:**

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

**(d) Evaluation of performance:**

(i) Make recommendations to the Board on appropriate performance criteria for the Directors.

(ii) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third party facilitator in doing so

(iii) Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

**(e) Board diversity**

Devise a policy on Board diversity

**(f) Remuneration framework and policies:**

Make recommendations to the Board on the remuneration payable to the Directors/KMPs/Senior Officials so appointed/reappointed;

**(g) Assess the independence of independent directors;**

**(h) Such other key issues/matters** as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.

**(i) Make recommendations to the Board** concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

**(j) Ensure that level and composition of remuneration** is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

**5.2. Policy for appointment and removal of Directors, KMP and Senior Management**

**(a) Appointment criteria and qualifications**

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director / Manager who is below the age of Twenty-One years or who has attained the age of Seventy years without the approval of Shareholders by passing a Special Resolution with proper justification.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

**(b) Term/ Tenure**

**A) Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time.

**B) Independent Director**

An Independent Director shall hold office for a term up to five consecutive years 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 appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force.

**(c) 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, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

**(d) Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

**(e) Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**5.3. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

The Board, on the recommendation of The Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

#### **5.4. Remuneration to Non-Executive Directors**

The Board on the recommendation of the Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

### **6. CHAIRPERSON**

1. Chairperson of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
3. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
4. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **7. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at least once in the year.

### **8. 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.

### **9. VOTING**

Matters arising for determination at Committee meetings shall be decided by majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **10. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minute and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

#### **11. POLICY REVIEW**

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. 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 or Regulations, 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 the 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 Regulations 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.