



NOMINATION AND REMUNERATION POLICY

CHAMAN METALLICS LIMITED



GROUP

Benchmark of quality



P R E F A C E

At all levels and all times monetary compensation has been if not the sole but the most important motivational aspect for getting the job fulfilled under any given business scenario. It is the endeavor of Chaman Metallics Limited (“Company”) that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible.

The Company strives that its Remuneration Policy should attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. This Nomination and Remuneration Policy applies to Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee.



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Version	Date	Particulars
1.	30-November-2021	Originally Adopted
2.	26-July-2022	First Revision by Board of Directors

1. DEFINITIONS:

- A. “Act”** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactments thereof.
- B. “Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.
- C. “Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- D. “Independent Director”** means a director who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).
- E. “Key Managerial Personnel”** in relation to a company, means –
- i) the Chief Executive Officer or the Managing Director or the Manager;
 - ii) the Company Secretary;
 - iii) the Whole-Time Director;
 - iv) the Chief Financial Officer; and
 - v) such other officer as may be prescribed;
- F. “Policy”** means this Policy, as may be amended from time to time.
- G. “Senior Management”** shall mean officers / personnel of the Company who are members of its core Management team excluding Board of Directors and normally shall comprise all the members of Management one level below the Executive Directors, including all functional heads.

2. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee (NRC), duly constituted by the Board of Directors on November 30th, 2021, has a well-defined composition, quorum, powers, role, review and terms of reference in accordance with Section 178 of the Companies Act, 2013 and applicable rules.

COMPOSITION:

The Board of Directors of the Company had re-constituted the Nomination and Remuneration Committee on 26th July, 2022 by comprising of the following Members at their meeting held on:

S.NO.	NAME OF DIRECTOR	DESIGNATION
1.	MR. RANJEET SINGH THAKUR (INDEPENDENT DIRECTOR)	CHAIRMAN
2.	MS. DISHA KESHARIYA (INDEPENDENT DIRECTOR)	MEMBER
3.	MR. RAMESH KUMAR AGRAWAL (DIRECTOR)	MEMBER

The Board of Directors is empowered to re-constitute NRC from time to time.

3. ROLE OF THE COMMITTEE:

- a) Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- b) Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

- d) Devising a policy on diversity of board of directors;
- e) 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;
- f) Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- g) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- h) Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
- i) Decide the amount of Commission payable to the Whole Time Directors;
- j) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- k) To formulate and administer the Employee Stock Option Scheme.

4. POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

A. General appointment criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/her appointment.
- ii. The Company should ensure that the person so appointed as Director/Independent Director/KMP/Senior Management Personnel does not stand disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.

- iii. The Director/Independent Director/KMP/Senior Management Personnel shall be appointed as per the procedure laid down under the applicable provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.

B. Other appointment criteria:

Enhancing the competency of the Board and attracting as well as retaining talented employees for role of KMP/Senior Management Personnel shall be the basis for the Committee to select a candidate for his/her appointment. When recommending a candidate for appointment, the Committee shall be:

- i. Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits in diversifying the Board;
- ii. The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing Directors/KMP/Senior Management Personnel and enhance the efficiency of the Company;
- iii. The qualification, skills and experience that the appointee brings to the designated role and how an appointee will enhance the skill sets and experience of the Board/Company as a whole;
- iv. The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- v. The appointment of Independent Directors shall be subject to compliance

of provisions of Section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder.

C. Term/Tenure of appointment of Managing Director/Whole-Time Director/Manager and Independent Director:

i. Managing Director/Whole-Time Director/Manager (Managerial Person)

The Company shall appoint or re-appoint any person as its Managerial Person 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.

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. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

ii. Independent Director

- a) 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.
- b) No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, 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.

- c) 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

D. Evaluation

The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis as per the requirements of the Companies Act, 2013.

E. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, rules and regulations there under, 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 and compliance of the said Act, rules and regulations. The removal shall also be based on principles of natural justice.

F. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the Company's rules and as per applicable provisions of the Companies Act, 2013, wherever applicable.

5. REMUNERATION OF DIRECTORS, KEY MANAGERIAL AND SENIOR MANAGEMENT PERSONNEL:

A. Remuneration to Managing Director/Whole Time Director:

The Remuneration/commission etc. to be payable to Managing Director/Whole Time Directors shall be governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the members of the Company.

The Nomination and Remuneration Committee shall make such recommendation to the Board of Directors, as it may consider appropriate with regards to remuneration to Managing Director(s)/Whole Time Director(s).

B. Remuneration payable to Non-Executive Directors:

The Non-Executive Directors will be payable with the sitting fees or such other remuneration, if any, subject to the approval of Board of Directors, up to the limit as specified under the Companies Act, 2013 and also in Compliance with the other applicable laws and provision.

C. Remuneration to Key Managerial Personnel and Senior Management Personnel:

The remuneration to Key Managerial Personnel and Senior Management, shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's policy.

Remuneration of middle and lower-level employees of the Company is reviewed on an annual basis. A formal annual performance evaluation process is applicable to all employees, including Key Executives. Increase in the remuneration of employees is affected based on an annual review taking into account performance of the employee and the performance of the Company also.

6. WORKING PROCEDURE OF NOMINATION AND REMUNERATION COMMITTEE:

In accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto, applicable Secretarial Standards, the following working procedure is adopted by the Nomination and Remuneration Committee:

A. Constitution of the Committee:

- a) The Nomination and Remuneration Committee shall consist of minimum three Non-Executive Directors as members.
- b) Not less than half of the members of Nomination and Remuneration Committee shall be independent directors.

B. Quorum:

- a) Two members or one third of the members of the Nomination and Remuneration Committee, whichever is greater, with at least one independent director present either personally or through electronic mode.
- b) Electronic mode shall be counted for quorum except on such restricted items as prescribed under Companies Act, 2013.
- c) Quorum shall be present throughout the meeting
- d) Where a member is interested in a particular item, he/she shall not be present (physically or through Electronic Mode), during discussion and shall not vote on such item.

C. Chairman

- a) The Chairman of the meeting shall be an Independent Director.
- b) The Chairman of this committee will preside over the meetings and in the absence of Chairman, members elected by committee will preside the meeting.

Provided that the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

D. Frequency of the meeting:

The Meeting of the committee shall be held at such regular intervals as may be required.

E. Minutes of the Meeting:

- a) Draft minutes of the Nomination and Remuneration Committee Meeting shall be duly circulated within 15 days from the conclusion of the meeting to the members of the Committee for their comments.
- b) The Members, whether present or not shall communicate their comments, If any, in writing within 7 days from the date of circulation of draft minutes.
- c) Minutes shall be entered in the Minutes book within 30 days from the date of conclusion of the meeting.
- d) Minutes of the meeting shall be signed and dated by the Chairman of the Meeting or by the Chairman of the next meeting.
- e) Signed copy of the minutes shall be circulated to all the members within 15 days after the minutes are signed duly certified by Company Secretary.

F. Company Secretary of the Committee:

The Company Secretary of the Company shall act as a Secretary of the Committee.

G. Passing of resolution by Circulation:

- a) The Committee, in case of urgent business may pass the resolution by circulation.

- b) Only that business can be transacted through circulations which are not restricted as per Companies Act, 2013.
- c) Draft resolutions shall be circulated to the members of the Committee by the Company Secretary, together with the necessary papers, individually to all the Members including Interested Director through any valid mode.
- d) Not more than seven days from the date of circulation of the draft resolution shall be given to the Members for their response.
- e) Resolution shall be deemed to be passed if majority of the members has assented and date of assent by the last member shall be the date of passing of resolution.
- f) If the approval of the majority of members entitled to vote is not received by the last date specified for receipt of such approval, the Resolutions shall be considered as not passed.
- g) Resolutions passed by circulation shall be noted at the next meeting of the Committee as well as Board.

H. Voting:

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be decision of the Committee.
- b) In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

I. Disclosures:

As per the Companies Act, 2013, this Policy shall be disclosed in the Board's Report of the Company.

J. Miscellaneous:

Any terms used in this policy but not defined herein shall have the same meaning as prescribed in the Companies Act, 2013 or Rules made there under, or any other relevant legislation / law applicable to the Company.

7. REVIEW AND PLACING OF POLICY ON WEBSITE OF COMPANY:

The Board of Directors on its own and/or as per recommendations of Nomination and Remuneration Committee can amend this policy, as when deemed fit.

The document of the Nomination and Remuneration Committee Policy will be placed on the website of the Company and any amendments made to the Policy from time to time

8. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS:

a) Qualifications of Independent Directors:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related and beneficial to the company's business.

b) Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

c) Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning independence of directors.

9. POLICY ON BOARD DIVERSITY:

The Company should endeavor to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

10. AGENDA, MINUTES & REPORTS:

Meeting of the Committee can be held whenever required. The Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

11. POLICY REVIEW:

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.
