



**Evonith Metallics Limited (“EML”)
(Formerly Uttam Galva Metallics Limited)**

NOMINATION AND REMUNERATION COMMITTEE CHARTER CUM POLICY

(Applicable from 30th December, 2020)

NOMINATION AND REMUNERATION COMMITTEE CHARTER CUM POLICY

This policy is in supersession of previous policy and in compliance with the provisions of the Companies Act, 2013 and rules made thereunder including any amendments thereof from time to time.

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the "Act"), the Board of Directors of the company is required to constitute the Nomination and Remuneration Committee.

I. OBJECTIVES:

In order to comply with the requirements of Section 178 of the Act and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the "**Committee**") had formulated this policy (the "**Policy**").

The provisions of the Companies Act, 2013 and rules thereto (including any amendment thereto from time to time) to the extent applicable, shall apply in addition to this policy.

The key objectives of the Policy are as follows:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the "**Board**"), policies relating to the remuneration (**payable in whatever form**) of the Directors, Key Managerial Personnel and other employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further review by the Board.
- c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To devise a Policy on Board Diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

II. DEFINITIONS:

- a. "**Act**" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

- b. **“Board”** means the Board of Directors of the Company.
- c. **“Directors”** shall mean Directors of the Company.
- d. **“Key Managerial Personnel”** or **“KMP”** means:

in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:

- (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;
 - (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.
- e. **“Senior Management”** shall mean officers/personnel 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.
 - f. **“Independent Director”** means a director referred to in Section 149(6) of the Act.

III. MEMBERSHIP:

- a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act.
- c) Composition of the Committee shall be disclosed in the Directors Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.
- e) The Board shall designate a member of the Committee as the Chairperson, provided that such Chairperson shall be an Independent Director. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson. 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.
- f) The Company Secretary of the Company shall act as Secretary of the Committee.

IV. PROCEDURES:

- 1. Frequency of Meetings:** The Nomination and Remuneration Committee shall meet at least once a year.
- 2. Quorum:** The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- 3. Committee members' interests:**
 - a) 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.
 - b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

4. Compensation:

Members of the Committee shall receive such fees, if any, for their services as Committee members as may be determined by the Board.

5. Minutes of Committee Meeting:

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.

6. Deviations from this Policy:

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

V. DUTIES OF THE NOMINATION & REMUNERATION COMMITTEE:

1. Duties with respect to Nomination:

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.

- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making 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.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

2. Duties with respect to Remuneration:

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to recommend and approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

VI. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT:

a. Appointment criteria and qualifications:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

b. Term/ Tenure:

i. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

c. Independent Director:

- i. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board 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.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

d. Evaluation:

The Committee shall carry out evaluation of performance of every Director annually and, KMP and Senior Management's evaluation should take place at regular intervals as determined by the committee.

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The evaluation of independent directors shall be done by the entire board of directors which shall include -

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these regulations and their Independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

e. Removal:

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

f. Retirement:

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

g. Policy relating to the Remuneration for the Whole-time Director, Director, Managing Director, KMP and Senior Management:

- i. The remuneration / compensation / commission / sitting Fees etc. to the Whole-time Director, Director, Managing Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Board of Directors or Shareholders of the Company as per the provisions of the Act.
- ii. The remuneration and commission to be paid to the Whole-time Director, Director, Managing Director, KMP shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, Director, Managing Director, KMP or as laid down as per the provisions of the Act.

h. Remuneration to Non- Executive / Independent Director:

1) Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.

2) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3) Limit of Remuneration/Commission:

Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Act.

VII. Amendment:

Any change in the Policy shall be approved by the Board of Directors. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment / modification in the Regulations and / or any other laws in this regard shall automatically apply to this Policy.

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

1. INTRODUCTION:

Evonith Metallics Limited (“EML”) (Formerly Uttam Galva Metallics Limited) (hereinafter referred to as the “Company”) has formulated this Policy to comply with various provisions under the Act and the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its Committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Act. The Committee shall evaluate the performance of each Director as per sub-section (2) of Section 178 and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) to the Act and the Rules made thereunder.

2. DEFINITIONS:

- a) “the Act”: means The Companies Act, 2013 and the rules made thereunder;
- b) “the Company”: The Company means Evonith Metallics Limited (“EML”) (Formerly Uttam Galva Metallics Limited).
- c) “the Director” or “the Board”: The Director or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
- d) “the Independent Director”: The Independent Director shall mean an Independent Director as defined under Section 2 (47) to be read with Section 149 (6) of the Act.
- e) “the Policy” or “this Policy”: The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.
- f) “the Committee” or “this Committee”: The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Act.

3. OBJECTIVE

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION:

A. APPRAISAL SYSTEM:

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below. This appraisal is mandatory and will be done under the provision of the clause (p) of subsection (3) of Section 134.

CRITERIA FOR EVALUATION: Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Criteria's of Performance Evaluation	Sub-Criteria's of Evaluation of Performance	Rating
Based on Job Profile	<ol style="list-style-type: none"> 1. Knowledge of the Job Profile 2. Skills required to perform or to execute the job profile 	
Based on Responsibilities & Obligations	<ol style="list-style-type: none"> 1. Attendance and participations in the Meetings 2. Expert opinions in respect of the serious issues 	
Based on Strategies	<ol style="list-style-type: none"> 1. Strategies formulated and successfully implemented 2. Various Directions provided in the best interest of the Company on key issues 	
Based on Performance Management	<ol style="list-style-type: none"> 1. Financial Performance 2. Achievement of Domestic Business 	
Based on Risk Management	<ol style="list-style-type: none"> 1. Avoidance of High Financial Risk while executing the functions and duties 2. Avoidance of any other high risk activities 	
Based on Talent Management and Decision making	<ol style="list-style-type: none"> 1. Achievement in respect of Successful Negotiations 2. The level of Talent retained at Low, Mid and Top Level 3. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency. 	
Based on Core Governance & Compliance Management	<ol style="list-style-type: none"> 1. Review of Detailed Compliances applicable under the various Laws, Rules & Regulations 2. Reviewing Whether the Business is running Legally or not 	
Based on Annual Targets	<ol style="list-style-type: none"> 1. Targets achieved in service 	
Based on Expansion & Diversification	<ol style="list-style-type: none"> 1. New successfully executed Business Expansions & Diversification 	
Based on Succession Planning	<ol style="list-style-type: none"> 1. Provision for Additional or Alternate Directors 	
Based on Conflict of Interest Management	<ol style="list-style-type: none"> 1. Strategy to resolve the conflict of interest in other Directors 2. Strategy to resolve the conflict of interest in other Employee 	
Based Financial & Operational Control Mechanism	<ol style="list-style-type: none"> 1. Control on Financial Dealings 2. Control on internal Operational Activities 	
Based on maintaining of Corporate Culture and	<ol style="list-style-type: none"> 1. Initiative to maintaining Corporate Culture of the Company 	

Moral Values	2. Initiative to maintaining Moral Values of the Company.	
Based on Maintaining High Level of Integrity and Ethics	1. Initiative to maintaining High level of Integrity 2. Initiative to maintaining High level of Ethics	
Based on Compliance with the Code of Conduct of Directors	1. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors 2. Abidance and behaviour in accordance with Code of Conduct for Directors	

B. EVALUATION OF THE PERFORMANCE:

The Nomination and Remuneration Committee shall evaluate the performance of each Board of Directors of the Company based on their functions and duties as mentioned in the “Code of conduct for Directors/Senior Management” and the criteria for the evaluation of the performance as prescribed in this policy. Based on the performance evaluation of each and every Director of the Company, the Nomination and Remuneration Committee shall provide the ratings. Evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated.

C. EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the nonperforming Directors of the Company.

5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS:

The Independent Director of the Company shall evaluate the performance of the non Independent Director including the chairman and the Board as a whole, at a meeting held by Independent Directors without the attendance of Non-Independent Directors and members of management. The meeting for the purpose of evaluation of performance of Board Members shall be held at least once in a year.

BOARD MEMBER FEEDBACK:

The Company believes in value for its stakeholders through ethical processes and integrity. The Board plays a very important role in ensuring the Company’s performance is monitor and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Name of the Director: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Note: Rating 90 and above - excellent, between 75 to 89 - Very good, between 60 to 74 - Good, between 35 to 59 - Satisfactory and Less than 35 - Unsatisfactory.

7. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the each and every Director. The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

- ❖ **This NRC Charter cum policy was formulated and recommended by the NRC Committee at its meeting held on July 30, 2021 and approved by the Board at its meeting held on July 30, 2021.**