



SSSMehta Industries Ltd.
SSSMEHTA INDUSTRIES LIMITED

CIN: U24109JH2021PLC017679

**Registered office: A-4, Road no. 2, Industrial
Estate, Adityapur, Jharkhand, India – 832109**

Website: www.sssmeipl.com

NOMINATION AND REMUNERATION POLICY

I. **Objective:**

The objective of this Policy is to guide the Board of Directors of the Company on:

- a. Appointment and removal of Directors, Key Managerial Personnel and employees in Senior Management;
- b. Remuneration payable to the Directors, Key Managerial Personnel and employees in Senior Management;
- c. Board Diversity;
- d. Succession plan for Directors, Key Managerial Personnel and employees in Senior Management; and
- e. Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board

II. **Definition:**

- i. **“Act”** means Companies Act, 2013 as amended from time to time any statutory modifications and / or re-enactment thereof;
- ii. **“Board”** means the Board of Directors of SSSMehta Industries Limited as constituted from time to time;
- iii. **“Key Managerial Personnel”** means a person defined in Section 2(51) of the Companies Act, 2013 and shall include:
 - a) Chief Executive Officer or the Managing Director or the Manager
 - b) Whole-time director
 - c) Chief Financial Officer
 - d) Company Secretary; and
 - e) such other officer as may be prescribed under the applicable laws or nominated by the Board.
- iv. **“Nomination and Remuneration Committee”/“NRC”** means the Nomination and Remuneration Committee constituted by the Board in accordance with the provisions of the Act and the SEBI LODR Regulations, as applicable, and as reconstituted from time to time., and any reconstitution of the same from time to time in accordance with the Act and the LODR, 2015;
- v. **“Policy”** means Nomination and Remuneration Policy;
- vi. **“SEBI Regulations”** mean the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- vii. “**Senior Management**” shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors and shall also comprise all the members of the management one level below the MD & CEO or WTD or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than board of directors, by the listed entity.

III. Composition and Chairmanship of the Committee:

- a) The Committee shall consist of a minimum of three (3) Non-Executive Directors, a majority of whom shall be Independent Directors.
- b) The members of the Committee shall be appointed by, and may be removed by, the Board.
- c) Minimum two (2) members, or one-third of the members of the Committee, whichever is greater, shall constitute the quorum for a meeting of the Committee.
- d) The Chairperson of the Committee shall be an Independent Director. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst themselves to act as Chairperson for that meeting.
- e) The Chairperson of the Committee may be present at the Annual General Meeting of the Company to answer shareholders’ queries, or may nominate any other member of the Committee to answer such queries; provided that the Chairman of the Board shall decide as to who would answer the queries.

IV. Proceedings:

- a) The meeting of the NRC shall be held at least once in every financial year.
- b) A member of the NRC 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;
- c) The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the NRC;
- d) Matters arising for determination at NRC meetings shall be decided by a majority of votes of Members present, and voting and any such decision shall for all purposes be deemed a decision of the NRC;
- e) In case of equality of votes, the Chairman of the meeting will have a casting vote;
- f) The proceedings of all meetings shall be minuted and signed by the Chairman of the NRC at the subsequent meeting. Minutes of the NRC meetings will be tabled at the subsequent Board and NRC meeting.
- g) The meeting of the Committee shall be convened as and when required, and the Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee.
- h) The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues before it.

V. Criteria for Determining Qualifications, Positive Attributes and 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 to and beneficial for the business of the Company.
- b) Positive Attributes of Independent Directors: An Independent Director shall be a person of integrity who possesses relevant expertise and experience; who upholds ethical standards of integrity and probity; acts objectively and constructively; exercises his/her responsibilities in a bona fide manner in the interest of the Company; devotes sufficient time and attention to his/her professional obligations for informed and balanced decision-making; and assists the Company in implementing the best corporate governance practices.
- c) Independence of Independent Directors: An Independent Director shall meet the requirements as to independence prescribed under the Act and the SEBI Regulations, as applicable.

VI. Policy on Board Diversity:

The Company shall endeavour to have a Board comprising Directors with a mix of experience in diverse fields, viz. finance, law, management, sales and marketing, technical, administration, corporate governance, operations and other disciplines related to and beneficial for the Company's operations.

VII. Roles and Responsibilities:

- a) To formulate a criterion for determining qualifications, the positive attributes and independence of a Director;
- b) To recommend to the Board the appointment and removal of Key Managerial Personnel and Senior Management;
- c) To identify 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 for their appointment and removal;
- d) While identifying and recommending a candidate for appointment to the Board, the Committee shall, without limitation, have regard to the following factors:
 - (i) relevant experience of the candidate in Finance, Law, Management, Sales, Marketing, Administration, deliberations of the Board, Corporate Governance or other disciplines related to the Company's business;
 - (ii) the capability of the candidate to devote the necessary time and commitment to the role, having regard to other Board or executive appointments held by the candidate; and
 - (iii) potential conflicts of interest and the independence of the candidate.

- e) To recommend to extend or continue the term of appointment of the independent directors, on the basis of the report on performance evaluation of independent directors;
- f) To carry out evaluation of a Director's performance and recommend to the Board appointment /removal based on his / her performance;
- g) Recommend to the Board on: -
 - (i) The policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management; and
 - (ii) The Executive Director/s Remuneration and incentive;
- h) To 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;
- i) To ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- j) To devise a policy on Board diversity;
- k) To develop a succession plan for the Board and to regularly review the plan;
- l) To ensure that there is an appropriate induction and training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- m) To ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- n) To identify and recommend Directors who are to be put forward for retirement by rotation;
- o) To determine the appropriate size, diversity and composition of the Board;
- p) To set a formal and transparent procedure for selecting new Directors for appointment to the Board;
- q) To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from a business and compliance perspective;
- r) To delegate any of its powers to one or more of its members or the Secretary of the NRC;
- s) To recommend any necessary changes to the Board;
- t) Review Professional indemnity and liability insurance taken by the Company for Directors, Key Managerial Personnel and Senior Management;
- u) To consider any other matters as may be requested by the Board.

VIII. Remuneration Policy:

- a) In discharging its responsibilities, the Committee shall have regard to the following policy objectives:
 - (i) to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
 - (ii) to attract and retain skilled executives;
 - (iii) to structure short-term and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
 - (iv) to ensure that any termination benefits are justified and appropriate, and to consider professional indemnity and liability insurance for Directors and Senior Management.

- b) The Committee shall at all times have regard to, and shall notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals necessary to be obtained in relation to remuneration.
- c) Remuneration to Key Managerial Personnel and other employees:
 - (i) the objective of this policy is to have a compensation philosophy and structure that will attract, reward and retain talent;
 - (ii) remuneration to the Executive Director(s)/Key Managerial Personnel and Senior Management shall ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and may involve a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals; and
 - (iii) while deciding the remuneration package, the current employment scenario and remuneration package of comparable companies operating in similar businesses in the geographical area of operations shall be taken into consideration.

IX. General:

- a) The Policy would be subject to revision/amendment in accordance with the applicable laws.
- b) Unless required earlier, the NRC shall review the Policy once in every two years for making suitable amendments for better implementation of the Policy.
- c) The power to interpret and administer the Policy shall rest with the Chairperson of the NRC whose decision shall be final and binding. The Chairperson is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or placed before the NRC, from time to time, to ensure the Committee's oversight on these issues.
