

NOMINATION AND REMUNERATION POLICY

VISA STEEL LIMITED NOMINATION AND REMUNERATION POLICY

Effective from 1 October 2014

1. PREAMBLE

This Nomination and Remuneration Policy (“**Policy**”) has been formulated *inter-alia* for nomination and remuneration of Directors, Key Managerial Personnel and Senior Management by the Nomination and Remuneration Committee and approved by the Board of Directors, in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended.

2. DEFINITIONS AND INTERPRETATIONS

2.1. Unless the context requires otherwise, capitalized terms used in this Policy shall have the following meanings:

“**Board**” means the collective body of the Directors of the Company.

“**The Committee**” means the Nomination and Remuneration Committee of the Board of Directors of the Company as constituted or reconstituted from time to time in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

“**The Company**” means VISA Steel Limited.

“**Director**” means a Director of the Company.

“**Independent Director**” means a Director appointed in accordance with Section 149(6) of the Companies Act, 2013 and Listing Regulations.

“**Key Managerial Personnel**” or “**KMP**” means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) the such other officer as may be prescribed.

“**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

(erstwhile Listing Agreement executed between the Company and the relevant Stock Exchange(s), as amended from time to time).

“Other Employees” means all the employees other than the Directors, KMPs and the Senior Management Personnel.

“Senior Management Personnel or Senior Management” means all personnel of the Company who are one level below the Board, viz., Executive Directors, Presidents, Senior Vice Presidents, Vice Presidents, Chief Financial Officer, Company Secretary, General Managers and all other executives having similar or equivalent rank in the Company in the Company including all Functional heads and any other person who the Board may include within the definition of senior management.

- 2.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 or the Rules made thereunder (as may be amended from time to time) or the Listing Regulations shall have the meaning respectively assigned to them in the Companies Act, 2013 the Rules made thereunder or the Listing Regulation, as the case may be.

3. OBJECTIVES OF THIS POLICY

- 3.1. The key objective of this Policy of VISA Steel Limited (**“the Company”**) is to provide a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders’ expectations.
- 3.2. The objectives of this Policy include the following:
- 3.2.1. to lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management or KMP of the Company;
 - 3.2.2. to lay down the terms and conditions in relation to the appointment of Directors, Senior Management Personnel or KMP and recommend to the Board the appointment and removal of Directors, Senior Management Personnel or KMP;
 - 3.2.3. to lay down criteria to carry out evaluation of every Director’s performance;
 - 3.2.4. to formulate criteria for determining qualification, positive attributes and Independence of a Director;

- 3.2.5. to determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel and other Employees to work towards the long term growth and success of the Company;
- 3.2.6. to devise a policy on the diversity of the Board; and
- 3.2.7. to assist the Board with developing a succession plan for the Board.

4. GENERAL

- 4.1. This Policy shall be applicable to all Directors, KMP and Senior Management Personnel of the Company.

5. MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

- 5.1. The Committee shall *inter alia*:
 - 5.1.1. identify persons who are qualified to become Director(s), KMP and Senior Management Personnel of the Company;
 - 5.1.2. recommend to the Board, appointment and removal of Director(s) of the Company and carry out evaluation of every Director's performance;
 - 5.1.3. formulate criteria for determining qualification, positive attributes and independence of Directors;
 - 5.1.4. formulate a criteria for evaluation of Independent Director(s) and the Board;
 - 5.1.5. make recommendations to the Board with respect to incentive compensation plans for Executive Director(s) and remuneration of Non-Executive Director(s);
 - 5.1.6. review the annual performance of Executive and Non-Executive Director(s);
 - 5.1.7. assist the Board in the establishment and implementation of an appropriate performance evaluation / self-assessment process for the Members of the Board and the Committees;

- 5.1.8. perform review and evaluation, of the performance of the Members of the Board and the Committee Members, at least annually;
- 5.1.9. periodically review the composition and duties of the Company's Board Committees and recommend any changes in these committees to the Board;
- 5.1.10. devise a policy on Board diversity;
- 5.1.11. carry out any other responsibilities and duties delegated to it by the Board from time to time;
- 5.1.12. carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions.

5.2. QUALIFICATIONS

- 5.2.1. Criteria for identifying persons who are qualified to be appointed as Directors / KMP / Senior Management Personnel of the Company:

5.2.1.1. Directors

Section 164 of the Companies Act, 2013 provides for the disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

5.2.1.2. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in (A) the Companies Act, 2013 and the Rules made thereunder (including but not limited to Section 149 of the Companies Act, 2013 and Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014); and (B) the Listing Regulations.

5.2.1.3. Senior Management Personnel and KMP

The Company shall have an Organogram displaying positions of Senior Management and KMP with the minimum qualifications and experience requirements for

each positions which commensurate with the size of its business and the nature and complexity of its operations.

6. POLICY FOR APPOINTMENT OF DIRECTOR, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES, THEIR EVALUATION AND RETIREMENT & REMOVAL

6.1. Appointment criteria and qualifications

6.1.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), KMP or at Senior Management and recommend to the Board his / her appointment.

6.1.2. Such person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

6.1.3. The Company shall not appoint or continue the employment of any person as Whole-time Director 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. The explanatory statement annexed to the notice convening the meeting for this purpose shall indicate the justification for extension of appointment beyond seventy years.

6.2. Term / Tenure:

6.2.1. 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 five years at a time.

6.2.2. Independent Director:

6.2.2.1. An Independent Director shall hold office for a maximum term of up to 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.

6.2.2.2. No Independent Director shall hold office for more than two consecutive terms of maximum five 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

6.2.3. At the time of appointment of Directors (including Independent Directors), it should be ensured that the persons proposed to be appointed as Directors (including Independent Directors) do not hold Directorship exceeding the maximum number of directorships a person can hold as per applicable laws.

6.3. Evaluation:

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

6.3.1. Evaluation of directors:

In terms of Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act, states that the Independent Directors shall at its separate meeting review performance of Non-Independent Directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

6.3.2. Evaluation of KMP and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the Company's Policy.

6.4. Removal

Subject to the provisions of applicable laws, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP and Senior Management Personnel.

6.5. Retirement

The Director, KMP and Senior Management Personnel 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 Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

7.1. This Policy aims to strike a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

7.2. The remuneration / compensation / commission etc. to the Whole-time Director/Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval based on factors and parameters that the Committee considers relevant. While determining the remuneration / compensation / commission etc, the Committee shall ensure that:

7.2.1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; and

7.2.2. there exists a clear relationship between remuneration and performance and that such relationship meets appropriate performance benchmarks.

7.3. The remuneration / compensation / commission etc. shall be in accordance with the provisions of applicable laws, including the Companies Act, 2013 and the Rules made thereunder.

7.4. The remuneration and commission to be paid to the Directors/ KMP/ Senior Management shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company (if any) and as per the provisions of the applicable laws.

7.5. Where any insurance is taken by the Company on behalf of its Whole-time Director/Managing Director, KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7.6. Remuneration to Non- Executive / Independent Director:

7.6.1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

7.6.2. Sitting Fees:

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

7.6.3. Commission:

Commission may be paid, whenever applicable, within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

7.6.4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

8. **DISCLOSURE OF INFORMATION**

Disclosures required under applicable laws regarding the remuneration paid by the Company shall be made in the financial statements of the Company.

9. **AMENDMENT**

Any change in this Policy shall, on recommendation of the Committee, be approved by the Board of Directors of the Company. 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.

10. **IMPLEMENTATION AND REVIEW**

The Committee is responsible for the monitoring, implementation and review of this Policy. The Committee shall provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company. The Board shall review the (i) contents of and (ii) compliance with this Policy at regular interval.