

Remuneration policy

Lloyds Metals And Energy Limited

1.0 PROLOGUE:

Pursuant to the Section 178 of the Companies Act, 2013 (hereinafter refer as “the Act”) read with the rule 6 of the Companies (Meeting of the Board and its powers) Rules, 2014 and clause 49 of the Listing Agreement signed by the Company with the Stock Exchanges, The Nomination and Remuneration committee of the Board of the Company has formulated a remuneration policy to decide the criteria for the appointment and for the remuneration to the Directors, key managerial personnel and other employees.

Produced here below is the “Remuneration Policy” of the Company in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement for the object as mentioned herein.

The Policy also aims to attract, motivate and retain manpower in a competitive and global markets scenario.

2.0 OBJECTIVE

The objective of the policy is

1. To ensure that Whole Time Directors, Key Managerial Personnel and Senior executives of high caliber are attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down herein after.
3. To evaluate the performance of the Whole time Directors, Key Managerial Personnel and Senior executives.
4. To recommend to the Board on Remuneration payable to the Whole time Directors, Key Managerial Personnel and Senior Executives.
5. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Whole time Directors, Key Managerial Personnel and Senior Executives.

3.0 NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted the Nomination and Remuneration Committee (hereinafter referred as “the Committee”) as per the provision of Section 178 of the said Act, on 27th October, 2014.

The said Committee will consist of following members:

Sr. No.	Name of the Person	Position
1.	Shri B.B. Chadha	Chairman
2.	Shri Mukesh Gupta	Member
3.	Shri Devidas Kambale	Member
4.	Shri B.R. Singh	Member

3.2 The Committee can be reconstituted form time to time as may be deemed fit and appropriate by the Board of Directors.

3.3 The Committee shall, while formulating the policy ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Whole time Directors, Key Managerial personnel and Senior executives of the quality required to run the Company efficiently;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Whole time Directors, Key Managerial Personnel and senior management involves a balance between fixed and variables pay reflecting short and

long term performance objectives appropriate to the working of the company and its goals.

- 3.4 The meeting of the Committee shall be held at such regular intervals as may be required.
- 3.5 Necessary disclosures of this policy shall be made in the Annual Report of the Company in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

4.0 CRITERIA FOR BOARD MEMBERSHIP AND BOARD DIVERSITY:

- a. The Director must have relevant experience in Finance/Law/Management/Sales/Marketing/Administration/Research/Corporate Governance/Technical Operations/Human Resources or the other disciplines related to Company's business.
- b. The Director should possess the highest personal and professional ethics, integrity and values.
- c. The Director shall not have any material interest with the Company or any of its officers, other than as a director or shareholder of the Company. Wherever required the Director should disclose the nature of his interest, if there are reasons to believe there is or a likely hood of potential conflict of interest.

5.0 REMUNERATION CRITERIA:

The Policy is largely based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees.

There are various factors to ascertain the remuneration of Whole time Directors, Key Managerial personnel and other Senior Executives, which are highlighted here below:

1. Qualification
2. Experience
3. Physical Fitness
4. Loyalty

5. Self-driven
6. Potential
7. Self-motivation

a. For the Whole Time Directors/ Executive Directors :

- Nomination and Remuneration Committee shall recommend to the Board, the remuneration, within the maximum limits as set under the Companies Act, 2013, and Rules made thereunder and subject to the approval of the shareholders as and where applicable.
- The Company shall pay the remuneration by way of salary, perquisites and allowances (both fixed and variable component) to its Whole time Director and Senior Executives.
- Perquisites and retirement benefits are paid according to the Company policy, and applicable laws and regulations as applicable to senior executives.

b. For the Independent Non-Executive Directors:

- An Independent Non-Executive Directors shall receive sitting fees for attending the meeting of the Board and Board Committees.
- The sitting fees paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.
- Independent Non-Executive Directors are appointed for their professional expertise and skills in their individual capacity as independent professionals.

c. For the Key Managerial Personnel and Other Employees:

- The remuneration of other KMP and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.
- They are also entitled to customary non-monetary benefits such as company car and company health care, telephone & accommodation on case to case to basis.

- The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

6.0 POLICY REVIEW & FUTURE AMENDMENT

This policy shall remain in force unless modified by the Remuneration committee.