

BERRY ALLOYS LIMITED

NOMINATION & REMUNERATION POLICY

PURPOSE

The Nomination & Remuneration Policy of Berry Alloys Limited (“the Company”) applies to all directors and employees on the pay roll of the Company. The Board of Director has adopted this Nomination & Remuneration Policy at the recommendation of the Nomination and Remuneration Committee (herein after referred as the “Committee”).

The policy reflects the Company’s objectives for good corporate governance as well as sustained and long-term value creation for shareholders. In addition, it ensures that:

- The Company is able to attract, develop and retain high-performing and motivated employees in a competitive domestic market;
- Employees are offered a competitive and market aligned remuneration package making fixed salaries a significant remuneration component.

The Board of Directors has established a Nomination and Remuneration Committee to set guidelines for the review and control of compliance with the Nomination & Remuneration Policy. The Nomination and Remuneration Committee works as an extended arm for the Board of Directors with respect to nomination and remuneration issues.

DEFINITIONS

Words and expressions used in these regulations shall have the same meanings respectively assigned to them in the Companies Act, 2013 and rules and regulations made thereunder.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND EMPLOYEES

Appointment criteria and qualifications

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his / her appointment;
- b. A person should possess adequate qualification or expertise or experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and/or experience possessed by a person is sufficient / satisfactory for the concerned position;
- c. 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;
- d. Mr. Vijay Gupta shall ascertain the integrity, qualification, expertise and experience of the person for appointment as employees to carry out business operations and functions of the Company.

Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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.

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- No Independent Director shall hold office for more than two consecutive terms, 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) KMP & Employees:

The Company shall appoint or re-appoint any person as its KMP or employees for a term not exceeding age of retirement of such KMP or employees. The age of retirement of KMP or employees shall be attainment of age of 58 years.

Mr. Vijay Gupta shall have the power to retain any employee even after attaining the retirement age, for the benefit of the Company.

Evaluation

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

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, Rules and Regulations.

Retirement

The Directors and KMPs shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

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(A) Nomination matters include:

- (i) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (ii) Developing a succession plan for the Senior Management and regularly reviewing the plan;
- (iii) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
 - a) 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;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goal.

(B) Remuneration matters include:

- i. To consider and determine the Remuneration, based on the principles of:
 - a) pay for responsibilities;
 - b) pay for performance and potential and
 - c) Pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the employees.
- ii. To take into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration, etc.
- iii. To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

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- iv. To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance of the provisions of the Companies Act, 2013 and other applicable laws.
- v. To ensure that a balance is maintained between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of Senior.
- vi. Management and Key Managerial Personnel including liability insurance for Directors and Senior Management.
- vii. To consider any other matters as may be requested by the Board.

REMUNERATION COMPONENTS

The various remuneration components are combined to ensure an appropriate and balanced remuneration package.

The remuneration components are:

- Fixed pay (including fixed supplements)
- Performance-based remuneration (variable pay)
- Other benefits in kind
- Severance payment, where applicable

Remuneration of the Executive Director (Managing Director & Whole-time Director)

The Committee shall submit its recommendations for adjustments in remuneration of the Executive Director for the approval of the Board of Directors. The remuneration of the Executive Director may consist of fixed salary and supplements, incentive, etc. Subject to individual agreement, Executive Director shall also be entitled to a Company car, phone and other fixed benefits. The maximum severance pay is 3 months salary inclusive of the value of variable remuneration and other benefits.

The remuneration of Executive Director(s) is subject to the approval of shareholders.

Remuneration of the Non- Executive Directors

Members of the Board of Directors of the Company other than Executive Director may receive a fixed fee for attending each meeting of the Board of Directors.

Remuneration of the KMP

Mr. Vijay Gupta shall decide and approve the terms and conditions of the employment including payment of remuneration of the KMP other than Executive/Non-Executive Directors appointed as KMP, if any. The remuneration of the KMP may consist of fixed pay or variable pay or partly fixed and partly variable pay and/or, incentive, etc.

Remuneration of other employees

Mr. Vijay Gupta shall approve the terms and conditions of the employment including payment of remuneration of the employees other than Executive/Non-Executive Directors and KMP of the Company. The remuneration of the other employees may consist of fixed pay or variable pay or partly fixed and partly variable pay and/or, incentive, etc.

The remuneration of other employees shall be fixed from time to time considering industry standards and cost of living. In addition to basic salary they shall also be provided perquisites and retirement benefits as per prevailing scheme(s) of the Company and statutory requirements, where applicable. Policies of motivation/ reward/ severance payments are applicable to this category of personnel also.

CRITERIA FOR PERFORMANCE EVALUATION

A] Independent & Non-Executive Directors

Criteria for performance evaluation of directors other than Executive Directors are:

- Educational, professional background or experience possessed by director.
- Contribution to Company's corporate governance practices
- Contribution to introduce best practices to address top management issues

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- Time devoted and Participation in long-term strategic planning
- Commitment to the fulfillment of a directors obligations and fiduciary responsibilities
- General understanding of the Company's business, global business and social perspective;
- Personal and professional ethics, integrity and values.

B] Executive Directors

Apart from above criteria the following additional criteria shall also be considered for performance evaluation of Executive Directors.

- Attendance at the meetings;
- Relationships and Communications with employees and other stakeholders;
- Participation and contribution in the performance of the Company;
- Contribution in Strategic Planning and risk management vision, team spirit and consensus building, effective leadership;
- Compliance and Governance;
- Foresight to avoid crisis and effectiveness in crisis management.

C] Board as whole

Criteria for performance evaluation of Board as whole:

- Composition and Diversity;
- performance of the Committees of the Board;
- number of Board & Committee meetings;
- Discussions at Board Meetings;
- Cohesiveness of Board decisions;
- Board Procedure, Performance & Culture;
- Strategy and Growth of the Company.

Amendments to the Policy

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Miscellaneous

- No Director/KMP/ other employee shall be involved in deciding his or her own remuneration or that of his or her relatives who are employees.
- To the extent legally acceptable under applicable law, the Board of Directors may deviate from this policy in individual cases, if justified by extraordinary and exceptional circumstances.
- In any circumstances where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedent over this Policy.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.
- The Nomination & Remuneration policy will be disclosed in the Annual Report of the Company.