

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

Nomination, Remuneration & Evaluation Policy

1. INTRODUCTION AND OBJECTIVE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made there under and Part A of Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), 2015, the Company has constituted Nomination and Remuneration Committee (herein after referred to as "Committee") which formulated a Nomination and Remuneration Policy to ensure that the Board and top management is appropriately constituted to meet its fiduciary obligations to stakeholders, to identify persons who are qualified to become Directors and who may be appointed in senior management and/or as Key Managerial Personnel (KMP) of the Company in accordance with the criteria's laid down, recommend to the Board the appointment, removal, remuneration of the Directors, Senior Management and KMP and evaluation of every Director's performance, in line with the provisions of the Companies Act, 2013 and rules prescribed therein and as per the Listing Agreement with Stock Exchange(s), as amended from time to time and/or such other statutory notification, amendment or modification, as may be applicable.

2. APPLICABILITY AND EFFECTIVE DATE:

The Policy shall be applicable to:

1. The Board of Directors of the Company
2. KMP of the Company
3. Senior Management of the Company
4. Such other person(s) as may be prescribed by the law time being in force

This policy shall be effective from December 1, 2015.

3. DEFINITIONS:

In this Policy, unless the context otherwise requires: -

1. "Company" means Rajasthan Tube Manufacturing Company Limited.
2. "Act" means Companies Act, 2013
3. "Regulations" means Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Words and expressions used in this Policy but not defined shall have

the meaning as given in the Companies Act, 2013 read with Rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

4. POLICY OBJECTIVES & PURPOSE:

- The objective and purpose of this Policy is to formulate the criteria for determining qualifications, positive attributes and independence for the appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- The Policy is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

5. APPOINTMENT OF DIRECTORS, KMP & SENIOR MANAGEMENT:

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. OBJECTIVE

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

2. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

3. CHAIRMAN

- Chairman of the Committee shall be an Independent Director.

4. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

5. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A 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.
- The Company shall appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager/Director as per requirements of the Companies Act, 2013 and Rules made thereunder.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly) as per the criteria laid down.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

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

6. POLICY ON REMUNERATION

Remuneration to Directors:

1. The Non Executive Directors including Independent Directors shall be paid sitting fee as may be decided by the Board from time to time for attending meetings of Board and Committees thereof subject to ceiling limit as provided in Companies Act, 2013 and rules made there under. The out of pocket expenses incurred by Directors to attend the meetings shall be reimbursed. The Non Executive Directors including Independent Directors may also be paid commission in accordance with provisions of the Companies Act, 2013 and rules made there under.
2. The Executive Directors including Managing Director(s) shall be paid remuneration as recommended by Nomination and Remuneration Committee considering their qualification, experience and market condition and if such remuneration exceeds the prescribed limits under the Companies Act, 2013 and rules made there under, it shall be approved by the prescribed authorities. The remuneration payable to any one Executive Director shall not exceed five percent of the net profits of the company and if there is more than one such Executive Director shall not exceed ten percent of the net profits of the company which shall be calculated in manner as provided in section 198 of the Companies Act, 2013. In case of no profits or inadequate profits the remuneration shall be paid in accordance with schedule V of the Companies Act, 2013.

REMUNERATION TO KMPS / SMPS:

The KMPS / SMPS shall be paid remuneration in accordance with their term of appointment and such remuneration shall be based on total cost to company (CTC) which may include a balance between fixed and incentive pay. The above remuneration shall be subject to annual increments which will be based on his / her performance as per annual appraisal of KMPS / SMPS.

REMUNERATION OF OTHER EMPLOYEES

Apart from Directors, KMPS and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The remuneration of other employees mainly comprises basic salary and in addition to basic salary, they are also provided allowances, perquisites etc. as per the Company's policy and statutory requirements, where applicable.

AMENDMENT

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when it deemed fit.