

POLICY FOR NOMINATION, REMUNERATION & DIVERSITY OF BOARD

PREAMBLE

In terms with the provisions of the Section 178 and all other sections, if applicable, of the Companies Act, 2013 read with relevant Rules framed thereunder and Clause 49 of the Listing Agreement entered with the Stock Exchanges MSP Steel ('The Company') on the recommendation of the Nomination & Remuneration Committee of the Board lay down a policy for:

- identifying 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 their appointment and removal.
- 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 Directors, Key Managerial Personnel and other employees.
- lay down criteria for evaluation of Directors (including both Executive and Non-executive Directors) and the Board.
- devise a policy on Board diversity.

The company thus has adopted this Nomination & Remuneration policy incorporating all above mentioned points for the Directors, Key Managerial Personnel and senior management.

DEFINITIONS

1. "Act" means Companies Act, 2013 and the Rules made thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
 2. "Key Managerial Personnel" mean personnel in line with the provisions of Section 203 of the Companies Act, 2013 and the Rules framed there under.
- "Company" means MSP Steel
1. "Committee" or "Nomination & Remuneration Policy" means committee of the Board of Directors of the Company
 2. "Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the Executive Directors, including all functional head
 3. "Board of Directors" consists of the Chairman, Executive Directors, Non-Executive Directors including Independent Directors
- "Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013

APPLICABILITY

This policy is applicable to:

- The Board Members including Independent Directors
- Key Managerial Personnel
- Senior Managerial Personnel of the Company.

DIVERSITY OF THE BOARD

The Company recognises and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognised that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is

important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one Woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

POLICY

Appointment of Managerial Personnel, Director, KMP and Senior Management:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
2. 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 is sufficient /satisfactory for the concerned position.
3. Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and Rules thereunder and the Listing Agreement.

TERM/TENURE

1. Managing director, Whole-time Director or Manager

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who is below the age of twenty-one years or has attained the age of seventy years. However appointment of a person who has attained the age of seventy years may be made by passing a special resolution and complying with the provisions of the Companies Act, 2013 read with the relevant Rules Made thereunder.

1. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

Further no Independent Director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration 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.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director (including MSP Steel) and three listed companies (Including MSP Steel) as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

However the appointment of Managing director, Whole-time Director, manager or an Independent Director in addition to the above criteria shall also comply the provisions of the Companies Act, 2013 read with relevant Rules made thereunder, the Listing Agreement including any statutory modification or re-enactment made or to be made in the future.

REMUNERATION

Remuneration to the Managing Director, Whole-time Director and Manager

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013.

The Executive Directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The remuneration and commission to be paid to the Whole-time Director/ Managing Director/ Manager/Executive Chairman shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Rules made thereunder.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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.

Any Director who is in receipt of any commission from the Company and who is a Managing or Whole-time Director of the Company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the Company in the Board's report.

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

However any Director who is in receipt of any commission from the company and who is a Managing or Whole-time Director of the Company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the Company in the Board's report.

If in any financial year a Company has no profits or inadequate profits, the Company shall not pay to its Directors including Managing Director or Whole-time Director or Manager, by way of remuneration any sum exclusive of any fees payable to Directors under sub-section 5 of section 197 of the Act except in accordance with the provisions of Schedule V of the Act and the approval of the Central Government, wherever required, in such manner as may be provided therein.

Remuneration of Non-Executive Directors

A Non- executive Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Provided that the amount of such fees shall not exceed rupees one lacs per meeting of the Board or Committee thereof.

An Independent Director shall not be entitled to any stock option and may receive remuneration by way of fee in conformity with the provisions of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the shareholders as recommended by the Committee and the Board.

EVALUATION AND REMOVAL

Evaluation Process

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on annual basis.

The Committee will be responsible for the distribution of the evaluation forms on annual basis. The Committee will conduct or oversee the ministerial duties to prepare, send, collect and tabulate the evaluation form and schedule conference calls or necessary meetings to facilitate the evaluation. The Chairperson of the Committee may delegate this responsibility to the Company Secretary

Further the Committee shall formulate and recommend to the Board a policy for a performance evaluation policy to evaluate the performance of the Independent Directors and Non Independent Directors of the Company.

Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

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 deemed fit.