

METRO TYRES LIMITED

NOMINATION AND REMUNERATION POLICY

Establishment Date: 22.09.2014

Effective Date: 22.09.2014

Approval Authority: Board of Directors

Updated as on 19.05.2022

Preamble

The Remuneration Policy of Metro Tyres Limited, (“the Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. This Nomination & Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company

Regulatory Reference

A) Section 178 of the Companies Act, 2013 (“the Act”) read with applicable Rules made there under (“the Rules”).

Policy

a) This policy shall be known as Nomination & Remuneration Policy of the Company which is referred in this Policy as “the Policy”.

Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the committee would be:

I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

II. Formulation of criteria for evaluation of performance of Directors including Independent Directors and the Board;

III. Identify 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.

IV. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

V. To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

VI. To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.

VII. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Nomination & Remuneration Committee

As per requirement of Section 178 of Companies Act, 2013 and rules related thereto, the Board of Directors of the company has constituted the "Nomination & Remuneration Committee" (hereinafter to be referred to as the Committee), comprising of three or more non-executive directors out of which not less than one-half shall be independent directors.

The chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee

The Company Secretary shall act as the secretary for Committee meetings

Quorum: The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director and the participation of the members by video conferencing or by other audio visual means shall also be counted for the purposes of quorum

The Committee shall meet at least once in a year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being

The Board of Directors may change the composition of Committee as it may deem fit.

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMEND TO THE BOARD BY THE COMMITTEE

(A) CRITERIA FOR APPOINTMENT OF DIRECTOR AND SENIOR MANAGEMENT

- The Committee shall consider the following factors for identifying the person who are qualified to becoming Director and who can be appointed in senior management:
- A person should have sufficient qualification, knowledge, and working experience for the appointment. The Committee has discretion to decide whether qualification, knowledge and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment

- An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- The Company may appoint or continue the employment of any person as Wholetime
- Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion indicating the justification for appointing such person.
- The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

(B) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

1. Qualifications of Independent Director:-

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

2. Positive attributes of Independent Directors:-

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Independence of Independent Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 concerning independence of directors. (Section 149(6) of the Companies Act, 2013 and rules made thereunder)

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 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

(C) Remuneration Policy for Directors, Key Managerial Personnel and other employees

(1) NON-EXECUTIVE DIRECTORS (NEDs)

Remuneration and Reimbursements may be paid to certain NEDs for holding such place of profits as specified under section 188 of the Companies Act, 2013. The

same is subject to the approval of the Board of Directors or the Shareholders of the Company, as the case may be.

Remuneration / commission / Reimbursements, apart from remuneration referred above may be paid to non-executive directors as may be decided by the board of directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the non-executive directors.

Independent Directors may receive remuneration by way of:

- Sitting fees for participation in the Board and other meetings;
- Reimbursement of expenses for participation in the Board and other meetings.

The company has no stock options plans and no payment by way of bonus, pension, incentives etc. shall be paid.

(2) MANAGING DIRECTOR & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The company has no stock options, plans and hence, such instruments do not form part of his remuneration package. The Company grants loan/advances on subsidised interest/ Zero interest to its employees as per its separate HR policy.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Commission:

The profit-linked Commission or performance-linked commission or such other commissions shall be paid within the monetary limit approved by the Board/ Shareholders of the Company

Directors' Insurance : Where any insurance is taken by the Company on behalf of its Whole-time Director, Key Managerial Person 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.

(D) PERFORMANCE EVALUATION

The provisions relating to the performance evaluation of the Directors and the Board are as follows:

1. Nomination and Remuneration Committee to carry out evaluation of every Directors Performance
2. Independent Directors to bring objective view in evaluation of performance of Board and Management.
3. Performance evaluation of Independent Directors shall be done by entire Board of Directors excluding the Director being evaluated.

REVIEW

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company, from time to time. The Committee shall recommend for the alteration as and when any changes are to be incorporated in the Policy due to change in regulations or it may felt appropriate by the Committee. The changes of alteration by the Committee would be given to the Board of Directors of the Company for approval.

For Board of Directors of Metro Tyres Limited

**Rummy Chhabra
Chairman cum Managing Director**