

**PIOMBINO STEEL LIMITED
REMUNERATION POLICY**

REMUNERATION POLICY

1. PREFACE:

Title	Remuneration Policy
Version Number	1.0
Effective Date	15.07.2022
Authorised by	Board of Directors
Number of Revisions	NA
Last Revised Date	NA

The Company regards its employees across organisational hierarchy as its most valuable and strategic resource and seeks to ensure a high-performance work culture through a fair compensation structure, which is linked to Company and individual performance. At Piombino Steel Limited (PSL), the compensation is linked to the nature of job, skill and knowledge required to perform the given job in order to achieve Company's overall directive.

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**LODR Regulations 2015**"), the Nomination and Remuneration committee shall recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees and accordingly this policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

I. OBJECTIVES OF REMUNERATION POLICY

The remuneration for Directors, Key Managerial Personnel (KMP) and other employees of the Company is framed with the following broad objectives:

- i. Ensure that 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;
- ii. Motivate KMP and other employees and to stimulate excellence in their performance;
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- iv. Ensuring that the remuneration to Directors, KMP and other employees achieve a balance between components of fixed & variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- v. Retain, motivate and promote talent and to ensure long term association and loyalty of talented employees.

II. APPLICABILITY

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Other employees

III. KEY DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Directors" mean Directors of the Company
- "Committee" means Nomination and Remuneration Committee of Company as constituted or reconstituted by the Board.
- "Company" means Piombino Steel Limited
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the LODR Regulations 2015.
- "Key Managerial Personnel (KMP)" means-
 - (i) the Chief Executive Officer or the managing director or the manager
 - (ii) the Company Secretary
 - (iii) the Whole-Time Director
 - (iv) the Chief Financial Officer
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- "Remuneration" means remuneration as defined under section 2(78) of the Companies Act, 2013 including any amendment thereof.
- "Senior Management" means officers/personnel of the listed entity who are members of its core management team excluding the Board of Directors and normally this shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include the Company Secretary and the Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

IV. REMUNERATION COMPONENTS AND INCREMENTS

The remuneration includes fixed and variable pay and retirement benefits. Efforts are made towards rewarding behaviours that align strategic goals of the organization through objective performance management system and merit based rewards/recognition practices. The compensation level are linked to factors such as Company's performance, individual performance and such other factors considered relevant from time to time. Compensation system provides for evaluation & revision of remuneration each year. The quantum of revision will depend upon individual performance and Company's overall performance. The promotions, if any, are given to employees on the basis of their capability and ability to take on higher responsibilities.

The remuneration to Executive Directors is linked to the individual's performance as well as the Company's performance and would be determined based on their experience, abilities, skill sets and knowledge base. The achievements in respect of these parameters are measured in comparison to the targets approved for the Company by the Board in the beginning of the year.

Eligible employees of the Company as permitted by applicable laws may be granted Stock Options.

V. POLICY ***General:***

1. The remuneration / compensation / commission etc. to the Whole-time / Executive / Managing Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the overall limits as 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 Schedule V and other applicable rules made thereunder, and the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2018.
3. Revision to the existing remuneration / compensation structure may be recommended by the Committee to the Board subject to approval of the Shareholders when necessary, in the case of Managing Director/Whole-time Director/Executive Director and would be based on the individual's performance as well as the Company's overall performance.

4. Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Executive 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.

Remuneration to Managing Director / Whole-time / Executive Director

1. Fixed pay:

The Managing Director/Whole-time Director/Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale (fixed) and quantum of perquisites including, employer's contribution to P.F, pension scheme, Gratuity medical expenses, LTA, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee. The remuneration paid shall be approved by the shareholders, wherever required.

2. Performance Based Remuneration

In addition to fixed remuneration, the Company may implement a system of performance linked incentives designed to create a strong relationship between performance and remuneration.

The Company may conduct annual performance appraisals for Managing/Whole Time Director/Executive Director and the Nomination and Remuneration Committee shall recommend to the Board for any variation in the salary within the limits approved/may be approved by the shareholders.

3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director/Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and, with the previous approval of the Company by means of a special resolution, if applicable.

4. Provisions for excess remuneration:

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, prior sanction of the special resolution of the Company, he / she shall refund

such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Directors:

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2018.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount approved by the Board of Directors subject to the provisions of the Companies Act, 2013.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limits computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

Promoter Directors, Nominee Directors and Independent Directors shall not be entitled to any stock option of the Company.

Remuneration to KMP, Senior Management and other employees:

The KMP, Senior Management Personnel and other employees of the Company shall be paid remuneration as per the Company's policies and / or as may be approved by the Committee.

Amendments to the Policy

The Nomination & Remuneration Committee is responsible for monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make changes as and when required to facilitate a remuneration strategy, which will meet the needs of the Company.

In case of any amendments / clarifications etc. issued by the relevant authorities, not being consistent with the provisions laid down under this

Policy, then this Policy shall stand amended accordingly from the effective date as laid down thereunder.

The compensation for KMP, Senior Management & other employees will be governed by policies implemented by the Company from time to time and such policies may be approved by the committee.