

RAPICUT CARBIDES LIMITED

NOMINATION AND REMUNERATION POLICY

Introduction

In terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy of nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objectives

- Formulate criteria and terms and conditions with regard to person who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel and to determine their remuneration.
- Formulate criteria for evaluation of Directors, Key Managerial Personnel and Senior Management Personnel.
- Recommending to the Board, appointment and/or removal of Directors, Key Managerial Personnel, Senior Management Personnel.

Effective Date of Implementation

This policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Director's at its meeting held on August 09, 2014. The policy shall be operative with immediate effect.

Definitions

Company: Company means Rapicut Carbides Limited.

Directors: Directors means the Directors of the Company whether executive or Non-Executive.

Board: Board means Board of Directors of the Company.

Committee: Committee means the Nomination and Remuneration Committee of the Company constituted by the Board.

Independent Director: A director mentioned under clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013 & who is a non-executive Director other than a nominee director appointed by the Banks, Financial Institutions.

Key Managerial Personnel: Key Managerial Personnel(hereinafter named as KMP) according to section 2(51) of the Companies Act, 2013, in relation to company, means-

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Company Secretary;
- iii. Whole time Director;
- iv. Chief Financial Officer;
- v. Such other officer as may be prescribed.

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Senior Management Personnel: Senior Management Personnel means all the members one level below the Executive Directors and includes the Functional Heads.

Applicability of Policy

The Policy shall be applicable to all the Directors (executive and non-executive) including Independent Directors, Key Managerial Personnel and Senior Management Personnel.

Appointment of Directors, KMP and Senior Management Personnel

- i. the candidate should possess adequate qualification, experience and expertise for the position he/she is considered for appointment;
- ii. the Committee shall formulate the criteria for determining qualifications, experience, personal traits for appointment of Directors, KMP and Senior Management Personnel;
- iii. the Committee shall have discretion to decide whether qualification, experience possessed by the candidate to be considered for appointment as Director, KMP and Senior Management Personnel is sufficient for the concerned profile;
- iv. the appointment of Directors, KMP and Senior Management Personnel shall be according to Section 149, 152, 196 and 203 of the Companies Act, 2013 & the Listing Agreement of BSE;
- v. the candidate recommended by the member for directorship shall not possess any disqualifications as mentioned under section 164 of the Companies Act, 2013;
- vi. the Committee authorises the Managing Director to select the candidate and recommend to the Committee for the relevant profile.

Remuneration to Directors, KMP and Senior Management Personnel

- i. the Committee shall recommend the remuneration to be paid to Managing Director, Executive Director, KMP and Senior Management Personnel;
- ii. the remuneration shall be sufficient and reasonable to attract and retain talent;
- iii. the remuneration payable to Directors, KMP and Senior Management Personnel shall not exceed the limits mentioned in Section 197 & 198 of the Companies Act, 2013 & Schedule V of the Companies Act, 2013;
- iv. all the directors of the Company shall be paid fixed percentage of commission on Net Profits;
- v. fixed sitting fees shall be paid to non-executive directors and independent directors for attending board meeting;
- vi. fixed monthly remuneration shall be paid to Managing Director, Executive Director, KMP and Senior Management Personnel;
- vii. the annual variable pay of Managing Director, Executive Director, KMP, Senior Management Personnel is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year;
- viii. independent directors shall not be entitled to any stock option of the Company.

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Resignation by Directors, KMP & Senior Management Personnel

- i. Director may tender his/her resignation as per the Section 168 of the Companies Act, 2013;
- ii. Managing Director, Executive Director, KMP and Senior Management Personnel may tender their resignation as per their employment contract and/or terms of appointment;

Removal of Directors, KMP & Senior Management Personnel

- i. Directors may be removed from their position as per Section 169 of the Companies Act, 2013 by passing an ordinary resolution;
- ii. Nominee Directors and Directors appointed by Tribunal shall not be removed as per Section 169 of the Companies Act, 2013 before the expiry of their term;
- iii. Managing Director, Executive Director, KMP and Senior Management Personnel may be removed from their position if they are found to breach any of the terms of their appointment.

Retirement of Directors, KMP & Senior Management Personnel

- i. the director shall retire by rotation as per the Section 152 of the Companies Act, 2013;
- ii. independent director shall not retire by rotation as per Section 152 of the Companies Act, 2013;
- iii. KMP & Senior Management Personnel shall retire as per the prevailing policy of the Company;
- iv. the Board will have discretion to retain Director, KMP & Senior Management Personnel in the same position and/or remuneration or otherwise even after attaining the age of retirement for the benefit of the Company.
