

ALKALI METALS LIMITED

Nomination, Remuneration and Evaluation Policy

This Nomination, Remuneration and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Alkali Metals Limited (the “Company”)

1. Terms of Reference:

In this Policy, the following terms shall have the following meanings:

- i. ‘Board’ means Board of Directors of the Company.
- ii. ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- iii. ‘Company’ means Alkali Metals Limited.
- iv. ‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- v. “Key Managerial Personnel (KMP) means—
 - a. Chairman & Managing Director;
 - b. Whole-time Director, if any;
 - c. Chief Financial Officer;
 - d. Company Secretary, and
 - e. Any other person as defined under the Companies Act, 2013 from time to time.
- vi. The term “Senior Management Personnel” means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

2. Objective and Purpose of the Nomination and Remuneration Policy

The objectives and purposes of the policy which are in line with the requirements of the listing agreement and the Companies Act, 2013 are stated as under;

- i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director and to recommend their appointment/removal;
- ii. To lay out the remuneration principles for the directors and KMP;
- iii. To formulate the criteria for evaluation of the Board and all the directors;
- iv. To devise a policy on Board Diversity;
- v. To lay down the criteria for identifying people who can be appointed in senior management and recommend their appointment.

3. Composition of the Nomination and Remuneration Committee and other related matters

The Nomination and Remuneration Committee comprises of the following:

- i. The Constitution of the Committee shall consist of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors.
- ii. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- iii. Membership of the Committee shall be disclosed in the Annual Report.
- iv. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- i. Chairman of the Committee shall be an Independent Director.
- ii. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- iii. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- iv. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

COMMITTEE MEMBERS' INTERESTS

- i. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ii. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

- i. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

4. Role of the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee: -

- i. To Review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- ii. recommending to the Board on the selection of Individuals Nominated for Directorship;
- iii. Making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed;
- iv. Developing a succession plan for the Board;
- v. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules there under;

5. Policy for appointment and removal of Directors, KMP and Senior Management

- i. Appointment criteria and qualifications
 - a. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment.
 - b. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
 - c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
 - d. The Company shall not appoint or continue the employment of any person as Managing Director / executive Director who has attained the age of sixty years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of sixty years/seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years/seventy years as the case may be.
 - e. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
- ii. Term/ Tenure
 - a. Managing Director / Whole-time Director
The Company shall appoint or re-appoint any person as its Managing Director and CEO or Wholetime Director 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.
 - b. Independent Director
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
No Independent Director shall hold office for more than two consecutive terms, 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. 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 applicable regulations in force.
- iii. 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.

iv. Retirement

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

6. Remuneration Policy

- i. The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.
- ii. The Committee can only make recommendations to the Board with regard to the Remuneration to be paid in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- iii. In case of Managing Director/ Whole-time Director, increments to the existing remuneration / compensation structure may be done by the Board on recommended by the Committee within the limits approved by the Shareholders.
- iv. In case any professional indemnity is taken for Directors/KMP/Senior Management Personnel, then premium on such insurance shall not be treated as part of the remuneration payable to them.
- v. Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company with the approval of the Shareholders and Central Government may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

- vi. The Company may with the approval of the shareholders authorize the payment of remuneration upto five percent of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.

The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case, in compliance of the Act.

vii. The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

viii. Remuneration to Non Executive Directors/Independent Directors

- a. The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
- b. The Non-Executive Directors/ Independent Directors shall receive remuneration by way of a fee to a Director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members.
- c. The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- d. The Independent Directors shall not be entitled to any stock option.
- e. The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

ix. Remuneration to KMP/Senior Management

The total remuneration to KMP/Senior Management has been designed in order to ensure their continuous association with organization. The Committee shall ensure that the remuneration is reflective of individual's role, responsibility and experience in relation to day-to-day activities. Such remuneration must be reviewed periodically by the Board. The components of the remuneration are:

- **Basic Pay (Fixed Payment)** -includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices.
- **Performance Bonus:** payable on the achievement of objective and quantified as performance indicator as determined by the Board in consultation with the Committee.
- **Stock Incentive-** to be determined by the Board either time based or performance based and subject to necessary statutory approvals and compliances thereof.

Stock incentive is designed to ensure a focus on Company's long term performance.

7. Familiarization Program For Independent Directors:

The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

8. Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company –

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & Stewardship Abilities
- Contributing to clearly define Corporate objectives & Plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Direct, monitor & evaluate KMPs, senior officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

EVALUATION FACTORS

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties. The evaluation scale is a simple five point scale i.e. Very Excellent (5), Excellent (4), Good (3), Satisfactory (2) and Needs Improvement (1).

9. Policy review

- i. This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- ii. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or

regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

- iii. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval;
