

Pradeep Metals Limited
Manufacturers of Precision Closed Die Forgings

NOMINATION AND REMUNERATION POLICY

PREAMBLE

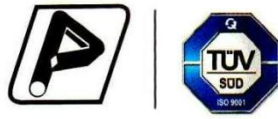
- a. The Nomination and Remuneration Policy ("Policy") provides a framework for remuneration to be paid to the members of the Board of Directors ("Board") and Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of Pradeep Metals Limited ('the Company').
- b. This Policy has been framed by the Nomination and Remuneration Committee ("Committee") of the Board of Directors ("Board") and based on its recommendation, approved by the Board of Directors of the Company. The Nomination and Remuneration Committee is entitled to review and amend this policy, if necessary, subject to Board approval.

OBJECTIVE

The Policy aims to serve as a guiding charter to appoint qualified persons as Directors, Key Managerial Personnel, and in senior management, to recommend the remuneration to be paid to them, and to evaluate their performance, to enable the Company to attract, retain and motivate high quality members for the Board and executives by providing a well-balanced and performance-related compensation package, considering all stakeholders' interests, risks & opportunities, industry practices and relevant corporate regulations. The Policy shall be read along with Section 178 of the Companies Act, 2013, the applicable rules thereto and Securities & Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015, (hereinafter referred to as SEBI LODR), as amended from time to time.

The Nomination and Remuneration Committee shall provide a policy framework for:

- (a) Identifying persons who are qualified to become Directors and who may be appointed as KMPs and in senior management position in accordance with the criteria laid down, recommend to the Board for their appointment and removal;
- (b) Devising a policy on Board diversity;
- (c) Carrying out evaluation of every Director's performance;
- (d) Identifying the criteria for determining qualifications, positive attributes and independence of a director;
- (e) Finalizing the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel;



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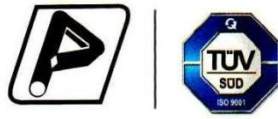
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- (f) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- (g) To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- (h) To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.
- (i) Assessing the independence of Independent Directors; and
- (j) Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder and the SEBI (LODR), whenever applicable.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE AND FORMULATION OF POLICY:

- The Board shall constitute the Nomination and Remuneration Committee ("Committee"), the composition of which shall be in line with the requirements under the Applicable Laws. This Policy is integral to the functioning of the Committee.
- While formulating this Policy, the Committee shall consider the following factors as laid down under Section 178(4) of the Act:
 - a) 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;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to Directors, KMP and Senior Management 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.

The Board shall have the authority to reconstitute this Committee from time to time.



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CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF SENIOR MANAGEMENT:

- a. The Members of the Board shall be people who possess appropriate qualifications, skills, aptitude, attributes, maturity, knowledge and experience. The objective is to have a Board with diverse background and experience in management functions or in such areas as may be considered relevant or desirable to conduct the Company's business in an ethical and competitively superior manner.
- b. An Independent Director shall be a person of integrity, who possesses relevant knowledge and experience, balance of skills and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise responsibilities in a bona-fide manner in the best interests of the company; devote sufficient time and attention to professional obligations for informed and balanced decision-making and assist the company in implementing the best corporate governance practices. An Independent Director should meet the requirements of the Companies Act, 2013 and Regulation 16(1)(b) of LODR, concerning independence of directors.
- c. The candidate for the appointment of KMP and SMP should possess appropriate qualifications, skills, aptitude, attributes, with relevant work experience. The candidate for KMP and SMP should also possess high level of personal and professional ethics, integrity and values.

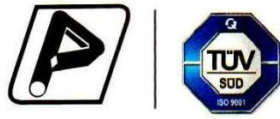
POLICY RELATING TO REMUNERATION

I) POLICY FOR THE WHOLE-TIME DIRECTORS / MANAGING DIRECTOR / KMP / SENIOR MANAGEMENT PERSONNEL -

Remuneration to Whole-Time Directors, Key Managerial Personnel and Senior Management Personnel will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the Company and its goals. The break-up of the pay scale and quantum of perquisites and retiral benefits shall be decided and approved by the Board / the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and SEBI LODR provisions, as amended from time to time.

II) POLICY FOR DIRECTORS -

- a. Directors shall receive remuneration by way of sitting fees for attending Meetings of the Board or Committee thereof. Provided that the amount of such fees subject to maximum of Rupees One Lac, per Meeting of the Board or Committee, or such amount as may be determined by the Board or prescribed by the Central Government from time to time. The Company shall also reimburse the out-of-pocket expenses incurred by the Directors to attend the Meeting.



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- b. Directors may be paid Commission 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. Where in any financial year, the Company has no profits or the profits are inadequate, Directors may be paid remuneration or Commission not exceeding the limits laid down under Schedule V and other applicable provisions of the Companies Act, 2013 and SEBI LODR, as amended from time to time. Further, the Company may pay remuneration to such Directors more than the limits laid down under Schedule V, by following the process prescribed under law. Further, the Independent Directors shall not be entitled to any stock options of the Company.

Approved by the Board on May 22, 2025