

Nomination and Remuneration Policy of Lakshmi Precision Screws Limited in terms of Section 178 of Companies Act, 2013 and Clause no. 49 B(5) of Listing Agreement with the Stock Exchange

Objective:

To apprise and assure Board Members through Nomination and Remuneration Committee (hereinafter referred as Committee) regarding availability of framework for conducting company business efficiently by ensuring availability of requisite Talent, Reasonable and Sufficient Remuneration for retaining the Talent, Transparent Performance Evaluation and Reward System to Create High Performance Culture.

Applicability:

All employees in service of M/s Lakshmi Precision Screws Limited including Directors, Key Management Personnel and Senior Management Personnel.

Performance Evaluation Policy

All employees are covered under following basic principles guiding the policy & process thereof:

Basic Principles:

- Objective and Transparent Performance Evaluation
- Alignment of Company Objectives and Individual Performance
- Suitably Rewarding High Performance
- Creating Performance Oriented Culture

Process of Performance Evaluation:

- Company Objectives are defined on Year On Year basis in line with long term goals
- All department and individual Key Result Area (KRA) are defined in line with Company Objectives
- All employees up to Jr. Management level i.e. below Manager are evaluated on annual basis based on Management by Objective
- Manager and above level employees are evaluated on Quarterly basis against pre defined KRA
- Final evaluation of each employee in the organization is done in the month of July every year
- Each individual is appraised on individual performance and competence (level specific) on a 1 to 5 point scale (where 1 is lowest)
- KRA for next Performance Year are finalized
- Each individual is appraised at three levels to ensure correct evaluation

Outcome of Performance Evaluation Exercise

- Career Plan for each position
- Training needs of incumbent
- Remuneration Enhancement
- Potential employee for future growth
- Performance Oriented Culture

Remuneration

- Remuneration is based upon Level, Responsibilities of the position and Performance of incumbent
- All Statutory benefits are extended to employees Attracting, Retaining and Nurturing Talent Policy Attracting Talent
- Job related
- Behavioral
- Manager & above level positions are finalized with involvement of Chairman & Managing Director

Retention & Nurturing of Talent

- Fair Remuneration & other employee related policies
- Transparent Performance Evaluation and Rewards System
- Defined Career path and Development Opportunities for all without bias
- Individual Competence enhancement through Training
- Involvement in Improvements and Change on regular basis
- Open Door Policy for employees