



OM METALS
INFRAPROJECTS LTD

NOMINATION & REMUNERATION POLICY

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1. PREFACE :

1. Section 178 (2) & (3) of the Companies Act, 2013 and Part A of Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides that

“The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and shall carry out evaluation of every director’s performance.”

“The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board, a policy, relating to the remuneration in whatever form for the directors, key managerial personnel, Senior Management and other employees”.

2. Therefore, to ensure compliance with the aforesaid Act and Regulations, the Nomination and Remuneration Committee (“the Committee”) of the Board of Directors of Om Metals Infraprojects Limited (“the Company”), has formulated a Nomination & Remuneration policy (“the Policy”).
3. This Policy shall replace the previous Remuneration Policy recommended by the Nomination & Remuneration Committee to the Board of Directors.

2. DEFINITIONS:

In this Policy, unless the context otherwise requires:-

- I. “**Company**” means Om Metals Infraprojects Limited.
- II. “**Act**” means Companies Act, 2013.
- III. “**Regulations**” means Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- IV. “**Board**” means Board of Directors of the Company.
- V. “**Directors**” means Directors of the Company.
- VI. “**Committee**” means Nomination Compensation and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- VII. “**Independent Director**” means a Director referred to in Section 159 (6) of the Companies Act, 2013 and rules.
- VIII. “**Key Managerial Personnel**” means
 - i. The Chief Executive Officer or the Managing Director; or Manager;
 - ii. The Company Secretary.

- iii. The Whole- time director;
- iv. The Chief Financial Officer;
- v. *such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed

IX. *("Senior Management" would include all members of management one level below the CEO / MD / Whole Time Director / Manager (including CEO / Manager, in case CEO / Manager is not part of the Board) and should specifically include the Company Secretary and the Chief Financial Officer (CFO).)

Words and expressions used in this Policy but not defined shall have the meaning as given in the Companies Act, 2013 read with Rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

3. POLICY OBJECTIVES & PURPOSE:

- The objective and purpose of this Policy is to formulate the criteria for determining qualifications, positive attributes and independence for the appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees.
- The Policy is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.
- To review the performance of Directors including Independent Director.
- To assist in succession planning of its CEO / Managing Director.

4. APPLICABILITY:

- The Nomination and Remuneration Policy applies to the appointment and remuneration of Directors, Key Managerial Personnel and Company's Senior Management and other employees.
- This Nomination & Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management, Key Managerial Personnel and Board of Directors. This Policy shall be of guidance for the Nomination & Remuneration Committee and Board of Directors.

5. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

Qualifications and Criteria:

- a) The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- b) In evaluating the suitability of individual Board members, the Committee may take into account factors, like General understanding of the Company's business dynamics, global business and social perspective; Educational and professional background, standing in the profession; Personal and professional ethics, Integrity and values; Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- c) The proposed appointee shall also fulfil the basic requirements of the Companies Act, 2013 and Rules made there under to become Director or KMP or Senior Management.
- d) The person shall abide the Code of Conduct established by the Company for Directors and Senior Management Personnel.

Criteria of Independence:

- a) The Committee shall assess the independence of Directors at the time of appointment / re-appointment. Every Independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub regulation (1) of Regulation 16 and as per Section 149(6) of the Companies Act, 2013 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence.
- b) The board of Directors of the listed entity shall take on record the declaration and confirmation submitted by the Independent Director under Sub regulation (8) after undertaking due assessment of the veracity of the same.
- c) The Independent Directors shall also abide the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013 and At the time of appointment of Independent Director, it should be ensured that number of Boards on which such person serves is restricted to seven listed companies as an Independent Director; and in case such person is serving as a Whole-time Director in any listed company the number of boards on which such person serves as Independent Director is restricted to three listed companies.
- d) No person shall be appointed or continue as an alternate director for an independent director of a listed entity.

Other directorships / committee memberships:

A person shall not be a director (including any alternate directorships) in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020:

Provided that a person shall not serve as an independent director in more than seven listed entities.

Notwithstanding the above, any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities.

For the purpose of this sub-regulation, the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

(a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

6. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

A. OBJECTIVE

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

B. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.

- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

C. MEMBERSHIP:

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act, and applicable statutory requirements.
- c) *(Either two (2) or one third (1/3rd) of the Directors of the Committee, whichever is greater, including at least one Independent director in attendance shall constitute a quorum for the Committee meeting)
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board.

(*Effective from April 1, 2019.)

D. CHAIRMAN

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairperson.
- d) Chairperson of the Committee shall be present at the Annual General Meeting or may authorize any other member of the Committee to answer the shareholders' queries.

E. FREQUENCY OF MEETINGS

The meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Act, and Rules made there under and as per the applicable laws, if any, for the time being which shall not be less than one meeting in a year. (*The Committee shall meet at least once in a year.)

Non-executive Director(s) will be paid sitting fees for attending each meeting of the Committee of an amount as is being paid in respect of other committee meetings of the Board.

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

F. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Company shall appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager/Director as per requirements of the Companies Act, 2013 and Rules made there under.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly) as per the criteria laid down.

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.**

Retirement:

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

No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

G. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel 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 and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.
4. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

Explanation: For the purposes of this clause, net profits shall be calculated as per section 198 of the Companies Act, 2013.

5. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP 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 Managerial Person, KMP and Senior Management:

Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013.

Remuneration to Non-Executive / Independent Director:

Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

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 maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Options:

An Independent Director shall not be entitled to any stock option of the Company.