



OPTIEMUS INFRACOM LIMITED

**NOMINATION AND REMUNERATION**  
**POLICY**

*In Accordance with Section 178 and Other Relevant Provisions Of The Companies Act, 2013 And Regulation 19 Of SEBI [Listing Obligations & Disclosure Requirements Regulations] 2015*

## 1. Introduction

The Board of Directors of Optiemus Infracom Ltd. (“the Company”) constituted the ‘Nomination and Remuneration Committee’ effective from May 30, 2014. The main purpose of the Nomination and Remuneration Committee is to evaluate and approve the Remuneration plans, policies and programmes for the directors and senior management of our Company.

This revised policy shall supersede the existing Nomination and Remuneration Policy with effect from April 01, 2016.

## 2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Listing Regulations. The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and other Senior Management.
- ii. To evaluate the performance of the members of the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance and achievement relating to the Company’s operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- vi. To devise a policy on Board diversity.

## 3. Definitions

“Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” means Directors of the Company.

“Independent Director” Means an Independent Director as defined under section 149(6) of the Companies Act, 2013 and under Regulation 16 of the SEBI (LODR) Regulations, 2015.

“Key Managerial Personnel or KMP” means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and

“Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 4. Role of Committee

##### 4.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Compensation Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

##### 4.2 Policy for appointment and removal of Director, KMP and Senior Management

###### i) Appointment criteria and qualifications:

###### a. Qualification & Expertise

- ✓ 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 is sufficient / satisfactory for the concerned position.
- ✓ 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.

###### b. Age Limit

- ✓ The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director or Manager who is below the age of Twenty One years or has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of 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 seventy years.
- ✓ However, there is no such limit for appointment of Senior management and Directors other than Whole-time Director or Managing Director or Manager

ii) Term of appointment:

a) *Managing Director/Whole-time Director:*

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director and manager for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

b) *Independent Director:*

- Any person to become Independent Director must comply the terms of qualification as defined under section 149(6) of the Companies Act, 2013 and under Listing Regulations.
- 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 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.

iii) **Evaluation:**

*For Executive Directors and Non Executive Non Independent Directors*

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) in consultation with the Independent Directors of the Company.

*For Independent Directors*

Evaluation of Independent Director shall be carried on by the entire Board of the Company except the Director getting evaluated. The Criteria for evaluation of performance of Independent Directors should be in the format as laid down below:

Name of the Director: \_\_\_\_\_

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Criteria for Evaluation	Sub Criteria for Evaluation	Rating
Attendance	Attendance and contribution at Board and Committee meetings	
Based on in general knowledge, skills and job profile	His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.	
	His knowledge in the area of expertise, business operations, processes and Corporate Governance.	
Based on Responsibilities & Obligations	His ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.	
	Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.	
	Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.	
	Effective decisions making ability to respond positively and constructively to implement the	

	same to encourage more transparency.	
	His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.	
Based on overall understanding of the Company goals and performances	Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.	
	His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.	
Based on Team Performance	His/her contribution to enhance overall brand image of the Company.	

Note: Rating 90 and above - excellent, between 75 to 89 - Very good, between 60 to 74 - Good, between 35 to 59 - Satisfactory and Less than 35 - Unsatisfactory.

#### **Procedure to rate the performance**

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the each and every Director. The performance rating shall be given within minimum 1 and maximum 10 categories, the rating 1 being least effective and 10 being most effective. Based on the rating of performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

#### **iv) Removal:**

In the event of falling under any ground of disqualification or Vacation mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **v) Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the approval of shareholders of the Company if required under the Act.

#### **4.3 Policy relating to the Remuneration for the Executive Directors, KMP and Senior Management Personnel**

##### **i. General:**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Nomination and Remuneration 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.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Remuneration Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Directors/Manager.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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.

##### **e) Stock Options:**

The Directors, KMP and Senior Management excluding Independent Directors shall be entitled to stock option of the Company.

##### **ii. Remuneration**

###### ***a. To Executive Directors, KMP & Senior Management***

✓ Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. 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.

✓ Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors/Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

✓ Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

*iii. Remuneration to Non- Executive / Independent Director:*

✓ Sitting Fees:

The Independent Directors of the Company are entitled to receive remuneration by way of fees for attending meetings of Board or Committee thereof for an amount as may be approved/ revised by the Board of Directors, however, within the prescribed Statutory limit Rs.1,00,000 per meeting of the Board or Committee thereof.

✓ Commission:

Commission 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 Act.

**Notes:**



*The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.*

*The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.*

*The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Managing Director and an Executive Chairman in the Company, the applicable limit is 1% of the net profit. Any payment exceeding 1%, would require the approval of the shareholders subject to the overall limit of 11%.*

*However, the Company in general meeting may, with the approval of the Central Government, authorize the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.*

## **5. Charter of the Nomination and Remuneration Committee:**

### **5.1 Composition:**

Composition of the Committee shall be three or more non-executive directors out of which not less than one-half shall be independent directors. The members of the Committee from among the Board shall be decided by the Board.

Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

### **5.2 Meetings:**

The Committee shall meet at least once a year to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting.

Two members personally present shall comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers, or other employees of the company, or any other persons whose advice and counsel are sought by the Committee, to attend any meeting of the Committee to provide pertinent information.

Periodically, the Committee may meet in executive session separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

### 5.3 Authority:

The Committee will have the authority:

1. To retain search firms to be used to identify appropriate director candidates or to retain other advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.
2. To approve appropriate compensation at the company's expense for any search firms or other advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.

### 5.4 Terms of Reference:

1. 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 their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee will make recommendations to the Board regarding the size and composition of the Board and develop and recommend to the Board the Criteria (such as independence, experience relevant to the needs of the company, leadership qualities, diversity and ability to the represent the shareholders) for the selection of the individuals to be considered as candidates for election to the Board.
3. The Committee will establish, monitor and recommend the purpose, structure and operations of the various Committees of the Board, and qualifications and criteria on membership on each Committee of the Board, and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the Committees.
4. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees (referred as 'Nomination and Remuneration Policy').
5. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—

- 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, key managerial personnel 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.
  - d) Nomination and remuneration policy shall be disclosed in the Board's report.
6. Annual review of the salary, bonus and other compensation plans of the CEO, CFO and Senior Management team of the Company.
  7. Review and recommend to the Board, the salary, bonus and compensation plans for all the executive directors of the Company.
  8. Framing suitable policies and systems to ensure that there is no violation, by an employee or Company of any applicable laws in India or overseas, including:
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time; or
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003.
  9. Administer the implementation and award of stock options under the stock option plans of the Company.
  11. Recommend to the Board of Directors of the Company on any other employment incentives as the committee deems it appropriate in the best interests of the Company.
  13. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles of association, or directive of the Board.
  14. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
  15. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively. The Board of Directors as a whole shall also evaluate the performance of the committee.

16. The Committee shall carry out such other functions as may be required by any law for the time being in force.
17. This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at [www.optiemus.com](http://www.optiemus.com).