



Nomination and Remuneration Policy

The Nomination & Remuneration Policy (“Policy”) of Oswal Minerals Limited (“Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”). The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

Original Effective Date: 05th August, 2014
[Last Updated: 15th March, 2019]

1.1 Background

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (“Company”) read along with the applicable rules and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) thereto as amended from time to time.

This policy on nomination and remuneration of Directors, Key Managerial Personnel (“KMP”) and Senior Management was formulated by the Nomination and Remuneration Committee (NRC or the Committee) and approved & adopted by the Board of Directors on 5th August 2014. This amended Policy adopted by the Board on 15th March 2019 and effective from 1st April 2019, incorporates the amendments so as to align it with the amendments in Listing Regulations to be effective from 1st April, 2019.

1.2 Objective

The main objective of the Policy is to endeavor for sustainable development for the society and enhance value creation, goodwill & recognition of the company in the society and to ensure that

- 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;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 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;
- There is a diversity in the Board; and
- There is a succession plan for the Board

1.3 Definitions

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

1.3.2 “Company” means Oswal Mineral Limited (“OML”).

1.3.3 “Board” means Board of Directors of the Company

1.3.4 “Directors” means Directors of the Company.

1.3.5 “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

1.3.6 “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961

1.3.7 “Key Managerial Personnel” means Key Managerial Personnel as defined under Section 2(51) the Companies Act, 2013 and the Rules made thereunder

(i) the Chief Executive Officer or the managing director or the 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

1.3.8 “Senior Managerial Personnel” senior management shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including

Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary And Chief Financial Officer.]

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

1.4. ROLE OF THE COMMITTEE

The Role of the Nomination and Remuneration Committee will be as follows:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To 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.
- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- 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.
- Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

1.5 DUTIES WITH RESPECT TO REMUNERATION:

The duties of the Committee in relation to remuneration matters include:

- To consider and determine the remuneration policy;
- Based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board, as the Committee shall deem appropriate, the committee shall fix elements of the remuneration of the Members of the Board;
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management;
- To recommend and approve the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company;
- To delegate any of its powers to one or more of its Members of the Committee;
- To consider any other matters as may be requested by the Board.

1.6 APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- 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 his / her appointment to the Board, as per Company's Policy.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- The Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager within the meaning of the Act, who 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.

- The Company shall take a prior approval of the Members by way of a Special Resolution for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.
- 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.
- The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act, Listing Regulations 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 after taking necessary approvals

1.7. TERM / TENURE/ MAXIMUM NUMBER OF DIRECTORSHIPS

- **Managing Director/Whole-time Director:**
The Company shall appoint or re-appoint any person as its Chairman, Managing Director or Executive 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.
- **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 of up to maximum of 5 years each, 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 seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- **Maximum Number of Directorships:**
The Directors of the Company shall comply with the following conditions with respect to maximum number of Directorships that can be held by them, Directorship shall include any alternate directorship that can be held at any point of time
 - a. Director shall not be a director 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, further such Director shall not serve as an Independent Director in more than seven listed entities
 - b. Whole time Director or Managing Director of the Company shall not serve as an Independent Director in more than 3 listed entities.

For this clause 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

1.8. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and shall review its implementation and compliance.

The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include:

- Performance of the Directors; and
 - fulfillment of the independence criteria as specified in these regulations and their independence from the management
- Directors who are subject to evaluation shall not participate in the Board Meeting during their evaluation.

1.11 POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

➤ **Remuneration to Managing Director / Whole-time Directors:**

- a. The remuneration and commission to be paid to the Managing Director and / or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and Listing Regulations and any other laws, as may be applicable, for the time being in force.
- b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

➤ **Remuneration to Non- Executive / Independent Directors:**

- a. **Sitting Fees:** The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Companies Act, 2013.
- b. **Remuneration to Non-Executive Directors:** The Company shall pay remuneration to non-executive directors in such a manner so as to attract and maintain high quality members on the Board. Non-Executive directors shall receive commission and reimbursement for expenditure incurred wholly in connection with the business of the Company and in connection with attending meetings of the Board and Board Committees of the Company. Non-executive Directors shall not be entitled to any performance-based incentives or bonus payments.

Further, approval from shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof

c. **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 profits of the Company computed as per the applicable provisions of the Act.

d. **Stock Options**

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

e. **Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature:** Such remuneration shall not be considered as part of the remuneration if the following conditions are satisfied:

- i. The Services are rendered by such Director in his capacity as the professional; and
- ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

➤ **Remuneration to Key Managerial Personnel and Senior Management:**

- a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

1.12 MEMBERSHIP

- The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the Listing Regulations.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

1.13 CHAIRPERSON

- The Chairperson of the Committee shall be an Independent Director.
- The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 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.

1.14 QUORUM AND MEETINGS

The Quorum for committee meeting shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance

1.15 FREQUENCY OF MEETINGS

The committee shall meet at least once in a year.

1.16 DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.17 REVIEW AND IMPLEMENTATION OF OTHER EMPLOYEES

- The Company shall conduct an evaluation of performance for all employees on an annual basis to monitor and review, and if necessary, revise the appropriateness of each remuneration package.
- The Committee shall be responsible for monitoring the implementation of the policy, conducting a review of the same from time to time and advising the Board on the mode of revision of the policy such as inclusion of long-term incentives that would contribute towards creating a sustainable value for shareholders of the Company.

1.18 AMENDMENT

The Policy would be subject to revision/amendment in accordance with the applicable laws. The Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy.