

**OPTIMUS FINANCE LIMITED**  
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## **NOMINATION AND REMUNERATION POLICY**

## **1. APPLICABILITY**

This Nomination and Remuneration Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Optimus Finance Limited (the “Company”).

## **2. DEFINITIONS**

“Key Managerial Personnel” (KMP) means —

- 1) Chief Executive Officer or the Managing Director or the Manager;
- 2) Company Secretary;
- 3) Whole-time Director;
- 4) Chief Financial Officer; and
- 5) Such other Officer as may be prescribed.

“Senior Management Personnel” means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments/divisions/branches of the Company.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

“Directors” means Directors of the Company.

“Independent Director” means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

## **3. OBJECTIVE**

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

## **4. ACCOUNTABILITIES**

- a. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- b. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Committee which makes recommendations & nominations to the Board.

## **5. ROLE OF COMMITTEE**

### **5.1 Matters to be dealt with, perused and recommended to the Board by the Committee**

The committee shall:

- 5.1.1** Review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 5.1.2** Identify individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- 5.1.3** Recommend to the Board on the selection of individuals nominated for directorship;
- 5.1.4** Make recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- 5.1.5** Assess the independence of independent directors;
- 5.1.6** Such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act, 2013 and Rules thereunder.
- 5.1.7** Make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 5.1.8** Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 5.1.9** Devise a policy on Board diversity;
- 5.1.10** Develop a succession plan for the Board and to regularly review the plan;

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

#### **5.2.1 Appointment criteria and qualifications**

- a) 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) 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.
- c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who is below the age of Twenty-One years or who has attained the age of Seventy years without the approval of Shareholders by passing a Special Resolution with proper justification.

### **5.2.2 Term / Tenure**

#### **a) Managing Director / Whole-time Director / Manager**

The Company shall appoint or re-appoint any person as its Managing Director / Whole-time Director / Manager 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.

#### **b) 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, 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- 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. 4

### **5.2.3 Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### **5.2.4 Removal**

Due to reasons for any disqualification 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.

### **5.2.5 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.

### **5.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

#### **5.3.1 General**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, 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.
- 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 Articles of Association of the Company and as per the provisions of the Act.
- c) 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 Whole-time Director.
- 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.
- e) Loans, advances and other similar kind of benefits to KMPs, Senior Management Personnel will be governed by Company's relevant policies as applicable to all the employees of the Company read with relevant provisions of all applicable laws in that connection.

#### **5.3.2 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel**

##### **a) 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 P.F, 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.

**b) Variable pay:**

In case of commission forming part of remuneration, such amount shall not exceed the overall remuneration limit laid down in Companies Act, 2013 or any other law.

**c) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director 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.

**d) Provisions for excess remuneration:**

If any 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.

**5.3.3 Remuneration to Non- Executive / Independent Director**

**a) Remuneration / Commission:**

The remuneration / commission, if any, shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act and the rules made thereunder.

**b) 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 Rs. 1 Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Commission:**

Commission, if any, 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.

## **6. COMPOSITION OF A COMMITTEE**

The Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

## **7 CHAIRPERSON**

**7.1** Chairperson of the Committee shall be an Independent Director.

**7.2** Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

**7.3** In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

**7.4** 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.

## **8 FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **9 COMMITTEE MEMBERS' INTERESTS**

**9.1** A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

**9.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **10 VOTING**

**10.1** Matters arising for determination at Committee meetings shall be decided by majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

**10.2** In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **11 MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

## **12 POLICY REVIEW**

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the Policy and the Provisions in the Policy would be modified in due course to make it consistent with the law.

This Policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the Policy due to change in Regulations or as may be felt appropriate by the Committee. Any changes or modification in the Policy as recommended by the Committee would be given for approval of the Board of Directors.