



# NOMINATION AND REMUNERATION POLICY



OPTIMUS FINANCE LIMITED
CIN: L65910GJ1991PLC015044
REGISTERED OFFICE: 504A, OZONE, DR. VIKRAM SARABHAI MARG, VADI-WADI, VADODARA-390003.
TEL NO.: +91 – 265 – 2325321.
EMAIL: <a href="mailto:INFO@OPTIMUSFINANCE.IN">INFO@OPTIMUSFINANCE.IN</a> <a href="mailto:SECRETARIAL@OPTIMUSFINANCE.IN">SECRETARIAL@OPTIMUSFINANCE.IN</a>
WEBSITE: <a href="http://WWW.OPTIMUSFINANCE.IN">WWW.OPTIMUSFINANCE.IN</a>

## INDEX

Sr. No.	Particulars	Page No.
1.	APPLICABILITY	<a href="#">03</a>
2.	DEFINITIONS	<a href="#">03</a>
3.	OBJECTIVES	<a href="#">03</a>
4.	ACCOUNTABILITIES	<a href="#">03</a>
5.	ROLE OF COMMITTEE	<a href="#">04</a>
5.1.	MATTERS TO BE DEALT WITH, PERUSED, AND RECOMMENDED TO THE BOARD BY THE COMMITTEE	<a href="#">04</a>
5.2.	POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT	<a href="#">05</a>
5.3.	POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL	<a href="#">08</a>
6.	COMPOSITION OF A COMMITTEE	<a href="#">11</a>
7.	QUORUM OF MEETING	<a href="#">11</a>
8.	CHAIRPERSON	<a href="#">11</a>
9.	FREQUENCY OF MEETINGS	<a href="#">11</a>
10.	COMMITTEE MEMBERS' INTERESTS	<a href="#">11</a>
11.	VOTING	<a href="#">12</a>
12.	MINUTES OF COMMITTEE MEETING	<a href="#">12</a>
13.	POLICY REVIEW	<a href="#">12</a>

## **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 —

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Company Secretary;
- iii. Whole-time Director;
- iv. 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.

“Senior Management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

“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.

“Company” means Optimus Finance Limited.

“Directors” means a director appointed to the Board of a company.

“Independent Director” means an Independent Director referred to in sub-section (6) of Section 149.

## **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. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- 5.1.3. For every appointment of an Independent Director, evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such an evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- 5.1.4. To identify people who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
  - 5.1.5. To recommend to the Board all remuneration, in whatever form, payable to senior management.
  - 5.1.6. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

- 5.1.7. 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. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 5.1.9. To devise a policy on diversity of Board of Directors;
- 5.1.10. Develop a succession plan for the Board and to regularly review the plan;
- 5.1.11. Such other key issues/matters as may be referred to by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act, 2013 and Rules thereunder.

## **5.2. 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 qualifications, 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 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.
- d) The Company shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.
- e) The appointment or a re-appointment of a person, including as a Managing Director or a Whole-Time Director or a Manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders.

The statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for

considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a detailed explanation and justification by the Committee and the Board of Directors for recommending such a person for appointment or re-appointment.

The continuation of a Director serving on the Board of Directors of the company shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.

The requirement specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of above-mentioned regulations or the Companies Act, 2013 and has been complied with.

#### **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.

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.

- The appointment, re-appointment, or removal of an Independent Director of the Company shall be subject to the approval of shareholders by way of a special resolution.

Where a special resolution for the appointment of an Independent Director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made.

An Independent Director appointed in accordance with above shall be removed only if the votes cast in favour of the resolution proposing the removal exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution.

- The Company shall not appoint or continue the employment of any person as Independent Director who is below the age of Twenty-One years.

### **5.2.3. Evaluation**

- The Committee shall carry out an evaluation of the performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include –
    - a. performance of the directors; and

- b. fulfillment of the independence criteria as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management:

However, in the above evaluation, the directors who are subject to evaluation shall not participate.

#### **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.

#### **5.2.6. Vacancy**

Any vacancy in the office of a director shall be filled by the Company at the earliest and in any case not later than three months from the date such vacancy:

If the Company becomes non-compliant with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the Company not later than the date such office is vacated.

This shall not apply if the Company fulfils the requirement under of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 without filling the vacancy.

### **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 the 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.

**e) Fees or compensation payable to Executive Directors:**

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 Company, 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 Company:

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

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

**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.

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.

**b) Sitting Fees:**

The Non - Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof.

The amount of such fees shall not exceed Rs. 1 Lakh 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 comprise of at least three directors;
- b) all directors of the Committee shall be non-executive directors; and
- c) at least two-thirds of the directors shall be Independent Directors
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Terms of the Committee shall be continued unless terminated by the Board of Directors.

**7. QUORUM OF MEETING:**

The quorum for a meeting of the Committee 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.

**8. CHAIRPERSON:**

**8.1.** The Chairperson of the Committee shall be an Independent Director.

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

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

**8.4.** The Chairman of the Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**9. FREQUENCY OF MEETINGS:**

The Committee shall meet at least once in a year.

**10. COMMITTEE MEMBERS' INTERESTS:**

**10.1.** 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.

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

**11. VOTING:**

**11.1** 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.

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

**12. 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.

**13. 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 changes 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.