



OMAX AUTOS LIMITED

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees (hereinafter referred to as the “Employees”) has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

1. PREAMBLE

The Nomination and Remuneration Policy of Omax Autos Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower by creating a congenial work environment, encouraging initiatives, personal growth, team work and inculcating a sense of belongingness and involvement, besides offering appropriate remuneration packages and superannuation benefits.

2. DEFINITIONS:

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

“Board or Board of Directors” in relation to a company means the collective body of the directors of the Company

“Company” means Omax Autos Limited

“Director” means directors appointed to the Board of the Company.

“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;

“Nomination and Remuneration Committee or Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement

“Key Managerial Personnel” means: i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; ii) Chief Financial Officer; iii) Company Secretary; and iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

“Other Employees” mean all the employees of the Company other than, directors, Key Managerial Personnel and Senior Managerial Personnel, for the time being on the roll of the Company

3. OBJECTIVE:

The objective of the policy is to ensure that

- the composition of remuneration is reasonable and sufficient to attract, retain and motivate Employees of the quality required to run the company successfully;
- relationship between remuneration and performance of Employees linked with the performance of the Company; and
- remuneration to Employees involves a balance between fixed and performance linked incentive pay based on their individual KRAs reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. Effective Date of the Policy

This policy shall be effective from the date of approval by the Board or any amendment made thereof from time to time.

5. PRINCIPLES

Key Principles of the Remuneration Policy – While designing compensation for the Employees, the following set of principles act as guiding factors:

1. Aligning the remuneration and performance of Employees with the longer term interests of the company and its shareholders
2. Minimize complexity and ensure transparency.
3. Link to long term strategy as well as annual business performance of the company
4. Promotes a culture of meritocracy and is linked to key performance and business drivers, reflective of line expertise, market competitiveness so as to attract the best talent.

6. ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- 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.
- To carry out evaluation of 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.
- To devise a policy on Board diversity, composition, size.

- Succession planning for replacing Key Executives.
- 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.

7. BOARD DIVERSIFICATION, COMPOSITION AND SIZE

The Nomination and Remuneration Committee shall periodically review and assess the composition and performance of the Board and shall ensure proper size, and diversity in the composition, of the Board. The diversity in the composition of the Board may inter alia include an ideal mixture of executive directors, non-executive directors, independent director, women director, and directors representing diversified functional areas, experience expertise and skills of directors etc. The size of the Board should be commensurate with the functional requirement of the Board.

8. APPOINTMENT AND REMOVAL OF EMPLOYEES

- 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 his / her appointment, as per Company's Policy.
- b) 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.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director 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.

9. TERM / TENURE

- a) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive 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.
- 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 of upto 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.

10.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.

11.REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and

compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

12. RETIREMENT

The Employees shall retire as per the applicable provisions of the Act, appointment letter given to the Employees at the time of appointment and the prevailing policy of the Company. However, the Board will have the discretion to retain the Employees even after attaining the retirement age, for the benefit of the Company subject to compliance of regulatory requirements, if any.

13. POLICY FOR REMUNERATION TO EMPLOYEES

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, with regard to remuneration to Managing Director / Whole-time Directors as it may consider appropriate.
- c) The approval of the Audit Committee is also required, wherever applicable, when the appointment or payment of remuneration falls under the definition of related party transaction under the provision of the Companies Act, 2013 and/or provisions of Listing Agreement.
- d) Annual Increment in remuneration, if any proposed, shall be based upon Performance Management System (PMS) of the Company and shall be recommended by the Nomination and Remuneration Committee.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies

Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- b) All the remuneration of the Non- Executive / Independent Directors [excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013] shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above 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. e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
- e) The approval of the Audit Committee is also required, wherever applicable, when the appointment or payment of remuneration falls under the definition of related party transaction under the provision of the Companies Act, 2013 and/or provisions of Listing Agreement.

3) Remuneration to Key Managerial Personnel, Senior Management and Other Employees:

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

14. IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
 - The Committee may Delegate any of its powers to one or more of its members.
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