

# **NOMINATION AND REMUNERATION POLICY AND BOARD DIVERSITY POLICY**

## **INTRODUCTION**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

As per Regulation 19(4) of the Regulations and Section 178 of the Companies Act, 2013 and rules framed thereunder along with any amendments thereto, Omni Ax’s Software Limited (the “Company”) has adopted a policy namely “Nomination & Remuneration and Board Diversity Policy”. The Company has formulated the Policy to lay down a procedure to determine the qualifications, attributes and independence of Directors and recommend matter related to the remuneration of Directors, KMP and all other employees Objective and purpose of the policy

The objectives and purpose of this policy are:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non- Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of performance of all the Directors on the Board;
- To devise a policy on Board diversity; and
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company’s goals.

## **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The ‘Nomination and Remuneration Committee’ was reconstituted pursuant to Section 178 of the Companies Act, 2013 by the Board in its meeting held on February 27, 2020.

## **DEFINITIONS**

“**Act**” shall mean the Companies Act, 2013, rules framed there under and any amendments thereto.

“**Board**” means Board of Directors of the Company.

“**Directors**” means Directors 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 regulations.

“**Company**” means Omni Ax’s Software Limited

“**Independent Director**” means a Director referred to in Section 149(6) of the Act.

“**Key Managerial Personnel (KMP)**” shall mean “Key Managerial Personnel” as defined in sub-section (51) of Section 2 of the Act.

“**Senior Management**” mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **GENERAL**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination;

Part – C covers remuneration and perquisites etc.; and

Part – D covers board diversity and familiarization.

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee  
The following matters shall be dealt by the Committee: -

- a) Size and composition of the Board: Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;
- b) Directors: Formulate 3 circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;
- c) Succession plans: Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;
- d) Evaluation of performance: Make recommendations to the Board on appropriate performance criteria for the Directors as and when required. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company. Identify training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.
- e) Board diversity: The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy which is as under: The Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions. While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members. Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member. Accordingly, the Committee shall:
  - assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
  - make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
  - periodically review and report to the Board requirements, if any, in relation to diversity on the Board. The Committee will review the Board Diversity Policy periodically and recommend appropriate revisions to the Board as Committee may deem fit.(f) Remuneration framework and policies: The Committee is responsible for reviewing and making recommendations to the Board on:
  - (a) the remuneration of the Managing Director, Whole-time Directors and KMPs
  - (b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
  - (c) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to (i) attract and motivate talent to pursue the Company's long term growth; (ii) demonstrate a clear relationship between executive compensation and performance; and (iii) be reasonable and fair, having regard to best governance practices and legal requirements.
  - (d) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and

PART – B

Policy for appointment and removal of Director, KMPs and Senior Management

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment

2. A person to be appointed as Director, KMP or senior management level 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.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

#### Term / Tenure:

Managing Director / Whole-time Director the Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for such term as prescribed under the Act and other applicable laws and 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.

#### Removal:

Due to reasons for any disqualification mentioned in the Act, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

#### Retirement:

The Whole-time Directors, 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 Whole-time Directors, KMP and senior management 6 personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

#### PART – C

Policy relating to the remuneration for Directors, KMPs and other employees

#### General:

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Act and other applicable laws and regulations.
3. Where any insurance is taken by the Company on behalf of its Managing Director, 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. Remuneration to KMPs and other employees The policy on remuneration for KMPs and other employees is as below: -

Fixed pay The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

- a) Annual remuneration Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance- linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for

that particular defined role. The performance- linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders. The objective is to set the total remuneration at levels to attract, motivate, and retain high-calibre, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant 7 peer group globally, established through independent compensation surveys, from time to time. Remuneration to Non-Executive / Independent Directors

1. Remuneration The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Act and the rules made thereunder.
2. Stock options The Independent Directors shall not be entitled to any stock option of the Company.

Part – D

#### Board Diversity & Familiarization:

The Board shall consist of such optimum number of Directors as per the requirements of the Act and the Regulations, including at least one women Director. The Committee will lead the process for Board appointments and forward its recommendations to the Board. All Board appointments will be based on the skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective. The Committee shall address Board vacancies by actively considering candidates that bring a diversity of background and industry experience or related expertise. The candidates will be considered against objective criteria having due regard to the benefits of diversity on the Board. Additionally, the Committee may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing, business development, international business, operations management or any other professional area, so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise. Further, as per Regulation 25 (7) of the Regulations, the Committee shall familiarize the Independent Directors through various programs about the Company, including the following: - nature of the industry in which the Company operates; - business model of the Company; - roles, rights, responsibilities of Independent Directors; and - any other relevant information.

#### POLICY REVIEW

This policy is framed based on the provisions of the Act and the Listing Regulations. In case of any subsequent changes in the provisions of the Act 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 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 on the policy as recommended by the Committee would be given for approval of the Board of Directors.

By order of the Board  
**For Omni Ax's Software Limited**

**S.N. Madhavan**  
**Sd/-**  
**Company Secretary and Compliance Officer**