



OSWAL AGRO MILLS LIMITED

Policy on Nomination, Remuneration & Board Diversity

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

POLICY ON NOMINATION, REMUNERATION & BOARD DIVERSITY

OBJECTIVE AND SCOPE

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has approved and adopted this policy on Nomination, Remuneration and Board Diversity (the “**Policy**”), in compliance with the provisions of Section 178 of the Companies Act, 2013, the rules made thereunder and applicable provisions of Regulation 19 read along with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time (“**Listing Regulations**”).

The policy is intended to set out criteria for remuneration of the directors, key managerial personnel, senior management and other employees of the Company in accordance with the goals of the Company.

OBJECTIVES

The main objectives of this Policy are:

- i. To lay down criteria and terms and conditions for determining qualifications, competencies and positive attributes for appointment of directors (executive and non- executive including independent directors), Key Managerial Personnel and persons who may be appointed in senior management positions;
- ii. To lay down criteria for determining the Company’s approach to ensure adequate diversity in its Board;
- iii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company;
- iv. To determine remuneration of directors, Key Managerial Personnel and other senior management personnel keeping in view all the relevant factors including industry trends and practices;
- v. To provide for rewards linked directly to their effort, performance, dedication and achievement of Company’s targets.

DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 including the rules made thereunder, as amended from time to time.

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

“**Committee**” means the Nomination and Remuneration Committee of the Company constituted by the Board of Directors of the Company in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

“**Company**” means Oswal Agro Mills Limited.

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

“**Independent Director**” means an Independent Director as per the provisions of Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations.

“**Non-executive Directors**” means a member of a Company's Board of Directors who is not in whole-time employment of the Company.

“**Key Managerial Personnel**” or “**KMP**” of the Company means the Chief Executive Officer or Managing Director or Manager, Company Secretary, Wholetime Director, Chief Financial Officer and such other officer, not more

than one level below the directors, who is in whole-time employment of the Company and designated as Key Managerial Personnel by the Board and any other officer as prescribed under the Act.

“Senior Management”, for the purpose of this Policy, means officers and personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the 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 the functional heads, by whatever name called and the company secretary and chief financial officer.

INTERPRETATION

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Companies Act, 2013 and the Rules made there under and the Listing Regulations, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the “Nomination and Remuneration Committee” of the Board in line with the requirements of the Act and Listing Regulations. This Policy and the Committee’s charter are integral to the functioning of the Committee and are to be read together.

1. Attributes, qualifications and diversity

A) Directors and Key Managerial Personnel

The Committee shall be responsible for identifying suitable candidates for appointment as directors or as KMPs of the Company.

The Board shall consist of such number of directors as is necessary to effectively manage the company of the size and nature as of Company, keeping in view the Articles of Association of the Company. The Board shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty per cent of the Board shall comprise of non-executive directors. The roles of the Chairman and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

While evaluating a person for appointment/ re-appointment as director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to integrity, background, knowledge, skills, abilities (ability to exercise sound judgment), professional experience and functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the **proposed director** satisfies the following additional criteria at the time of appointment/ re-appointment:

- Eligible for appointment as a director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Act and the Listing Regulations.

- Has attained minimum age of 25 years and is not older than 75 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India. Also, he/ she shall not hold directorship in more than such number of listed companies as may be prescribed in the Listing Regulations.

For the purpose of the above, the count for the number of listed entities on which a person is a director shall be only those whose equity shares are listed on a stock exchange.

- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an **Independent Director**, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of “independence” as set out in Section 149(6) of the Act, Regulation 16(1)(b) of the Listing Regulations and other applicable laws.
- Should not hold the position of Independent Director in more than the permitted number of listed companies as may be prescribed in the Listing Regulations.
For the purpose of the above, the count for the number of listed entities on which a person is an independent director shall be only those whose equity shares are listed on a stock exchange.
- Should not hold any board/ employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances, waive this requirement.
- For every appointment of an independent director, the NRC 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 for such role shall meet the 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 re-appointment/ extension of term of any member of the Board shall be on the basis of their performance evaluation report.
- The Company shall not appoint any resigning independent director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an independent director.

The Committee shall ensure that the **proposed KMP** satisfies the following additional criteria at the time of appointment:

- 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

B) Senior Management

While evaluating a person for appointment/ re-appointment in a senior management position, the management shall consider various factors including integrity, individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing, technology, finance or such other discipline relevant to present and prospective operations of the Company.

2. Key Skills

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Strategic Planning and Leadership skills	Ability to think strategically and to identify and critically assess opportunities and threats and develop effective strategies in the context of objectives of the Company's relevant policies and priorities. Appreciation of long-term trends, understanding diverse business environment, regulatory framework, economic and political conditions, strategic choices and experience in guiding and leading management teams.
Financial and Risk Management	Wide ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control. Identification of key risks to the Company and monitoring the effectiveness of risk management framework and practices.
Technology and digital expertise	A background in technology, resulting in knowledge of anticipating technological trends, generating disruptive innovation and extending or creating new business models.
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining Board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values.
Industry and sector experience or knowledge	Knowledge and experience to provide strategic guidance to the management.
HR, Health, safety, environment and sustainability	Know-how of working on talent management and development, environment, health, safety, sustainability and corporate social responsibility activities directly or as a part of operational responsibility for long term value creation.

3. Removal of Directors, KMP or Senior Management

Subject to the provisions of the Articles of Association of the Company:

- i. The removal of any director can be recommended by the Committee to the Board and shall finally be approved by the shareholders basis recommendation of the Board.

- ii. The removal of KMP and Senior Management shall be approved by the Board based on the recommendation of the Committee and Chairman/ Managing Director of the Company.

4. Remuneration Policy

Guiding Principles:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration to Directors, KMPs and SMPs involves fixed pay and reflecting short and long-term performance objectives and goals set by the Company.
- d) Evaluation of the performance of Board, its Committees and Individual directors including Chairperson to be carried in pursuance to Board Evaluation Mechanism adopted by the Company.
- e) Familiarisation of the Independent Directors of the Company shall be carried in pursuance with the Familiarisation Programme for Independent Directors.

A. Board Members

The overall limits of remuneration of the Board members are governed by the provisions of Section 197 of the Act and Listing Regulations and shall be approved by the shareholders of the Company and shall be subject to the availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration including the sitting fees payable for attending the meetings of the Board and Committees. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.

B. Non-Executive Directors including Independent Directors Sitting fees

In addition to the profit linked commission, the Independent Directors may also be paid sitting fees, as determined by the Board from time to time, up to the Statutory ceiling for attending the meetings in accordance with the provisions of the Act.

IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.

C. Remuneration to Key Managerial Personnel and Senior Management

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The break-up 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 on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

5. Diversity on the Board of the Company

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company's Board has appropriate balance of skills, experience and diversity relevant to its business operations, the Company shall consider a number of factors, including but not limited to Qualifications, Knowledge and core skills/ expertise/ competencies, industry experience, background, and gender.

6. Disclosures

This Policy shall be disclosed on the website of the Company at www.oswalagromills.com and web link thereto shall be disclosed in the Company's Annual report.

7. Review

The Board of Directors on its own and/ or as per the recommendations of the Nomination and Remuneration Committee can amend this policy, as and when deemed necessary. The Company Secretary, being the Compliance Officer of the company, is also authorised to make amendments to this policy, where there is any statutory change necessitating the amendment of this policy.

8. Limitation and Amendments:

In the event of any conflict between the provisions of this Policy and of the Companies Act 2013 ("Act") or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.
