



## NOMINATION AND REMUNERATION POLICY OF OPaL

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 as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors.

### **1. Definitions**

The definitions of the key terms used in this Policy are given below. Terms not defined herein below shall have the meaning assigned to them under the Policy.

1.1 **“Act”** shall mean The Companies Act, 2013 and rules made thereunder, as amended from time to time.

1.2 **“Board”** mean Board of Directors of “ONGC Petro additions Limited”.

1.3 **“Committee”** shall mean the Nomination and Remuneration Committee of “ONGC Petro additions Limited” as constituted by the Board, in accordance with the Act and applicable regulations.

1.4 **“Company”** shall mean the “ONGC Petro additions Limited”.

1.5 **“Director”** in relation to the Company shall mean every Director of the Company including nominee and Independent Director.

1.6 **“Independent Director”** shall mean an Independent Director as defined under Section 2 (47) to be read with Section 149 (6) of the Companies Act, 2013.

1.7 **“Policy or this Policy”** shall mean the “Nomination and Remuneration Policy” of ONGC Petro additions Limited.

1.8 **“Key Managerial Personnel”**, in relation to a company, means –

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed;

1.9 **“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.

**1.10. “Senior Management/Other Employees”** mean the 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, having rank equivalent to Vice President and above, including the functional heads.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013.

## **2. Objective:**

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

## **3. Role of the Committee**

- (i) formulation of the criteria for determining qualifications, positive attributes and independence of a director
- (ii) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- (iii) identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- (iv) recommending to the Board on the selection of individuals nominated for directorship;
- (v) making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- (vi) assessing the independence of independent directors;
- (vii) such other key issues/matters as may be referred by the Board or as may be necessary in view of provision of the Companies Act, 2013 and Rules made thereunder.
- (viii) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the

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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;

- (ix) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (x) carry out evaluation of every director's performance
- (xi) to develop a succession plan for the Board and to regularly review the plan;
- (xii) 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.

### **4. Appointment and Removal of Director, Key Managerial Personnel and Senior Management**

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.

### **5. Term / Tenure**

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

The Company shall appoint or re-appoint any person as its Managing Director/Whole-time Director for a term not exceeding five years at a time or such other period as may be prescribed under the Act. 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.

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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 re-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 or Security Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

### **6. 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.

### **7. 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.

### **8. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing HR 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.

### **9. Policy for Remuneration to Directors/KMP/Senior Management Personnel**

#### **A) Remuneration to Managing Director / Whole-time Directors:**

i) 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.

ii) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

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### **B) Remuneration to Non-Executive / Independent Directors:**

i) Independent Directors shall be paid a sitting fee of Rs. 15,000 for every meeting of the board or committee thereof attended by them as member.

ii) All the remuneration of the Non-Executive Director/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.

iii) 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.

iv) 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 (ii) above if the following conditions are satisfied:

- a) The Services are rendered by such Director in his capacity as the professional; and
- b) In the opinion of the Committee, the director possess the requisite qualification for the practice of that profession.

### **C) Remuneration to Key Managerial Personnel and Senior Management:**

i) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy.

ii) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

iii) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate as per the Company's HR Policy.

### **10. 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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The Company at present has no stock options and hence, such instruments do not form part of their remuneration package.

Remuneration to Key Managerial Personnel and Senior Management are determined / reviewed considering short and long term performance objectives appropriate to the working of the Company and its goals and the market trends.

The above criteria and policy are subject to review / revision by the Nomination and Remuneration Committee and the Board of Directors of the Company.

### **11. Policy Review**

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 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.