

Nomination and Remuneration Policy

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V 1.0	P V Varaprasad	30 th October 2014 (w.e.f. 01 st October 2014)	made as per revised Clause 49 of the Listing Agreement
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V 4.0	P V Varaprasad	28 th May 2021 (w.e.f. May 28, 2021)	Modified in line with The Companies (Amendment) Act, 2020
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NOMINATION AND REMUNERATION POLICY

1. Introduction

The Board of Directors of OnMobile Global Limited (“the Company”) renamed and reconstituted the ‘Compensation committee’ to “Nomination and Compensation Committee” w.e.f May 22, 2014. The main purpose of the Nomination and Compensation Committee is to evaluate and approve the compensation plans, policies and programmes of the executive directors and senior management and to administer various stock option plans of our Company.

This policy is applicable to the Company effective October 1, 2014.

2. Objective

The Nomination and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations. The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance and achievement relating to the Company’s operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- vi. To devise a policy on Board diversity

3. Definitions

“**Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

“**Key Managerial Personnel**” means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and

“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.

4. Role of Committee

4.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Compensation Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

4.2 Policy for appointment and removal of Director, KMP and Senior Management

i. 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 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.
- 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Provided that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

ii. 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 (as per section 149(10) of Companies Act, 2013).
- The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

Provided that 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 as stated above.

Provided further that an independent director appointed under the first proviso 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. (as per Regulation 25 of SEBI (LODR) Reg, 2015)

- 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.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such person serves is restricted to seven listed companies as an Independent Director; and in case such person is serving as a Whole-time Director in any listed company the number of boards on which such person serves as Independent Director is restricted to three listed companies.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

iv. 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.

v. 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.

4.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

i. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Nomination and Compensation 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, 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 Nomination and Compensation 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 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.
- e) Recommend to the board, all remuneration, in whatever form, payable to senior management

ii. 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 Provident Fund, 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, wherever required.

- b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act.

- c) Provisions for excess remuneration:

If any Whole-time 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 approval required under section 197, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by 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 approved by the company by special resolution within two years from the date the sum becomes refundable.

iii. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company; provisions of the Companies Act, 2013; Schedule V thereof; and approval of the shareholders as may be required.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Currently, the maximum amount prescribed by the Central Government is Rs.1,00,000 per meeting of the Board or Committee thereof.

c) Remuneration/ Commission- shareholders' approval details:

Remuneration/ Commission may be paid within the monetary limit approved by shareholders as per the applicable provisions of the Act.

The shareholders at the AGM held on September 29, 2021 approved by special resolution the payment of remuneration to the non-executive directors including Independent directors, in addition to the sitting fees to be paid for attending the meetings of the Board or Committees thereof, in aggregate not exceeding an amount equal to 5 percent of the net profits computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or Rs. 18 million whichever is higher per annum for a period of three (3) years, commencing from April 1, 2021 up to March 31, 2024 and such remuneration **even in case of no profit or inadequate profit** during the said three years period and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

Notes:

The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require approval of Company in General Meeting subject to provision of Schedule V.

The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders by special resolution.

The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a whole time director in the Company, the applicable limit is 1% of the net profit. Any payment exceeding 1%, would require the approval of the shareholders by special resolution.

However, subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or wholetime director or manager, or any other non-executive director, including an independent

director by way of remuneration any sum exclusive of sitting fees except in accordance with the provisions of Schedule V

5. Charter of the Nomination and Compensation Committee:

5.1 Composition:

Three or more non-executive directors out of which not less than one-half shall be independent directors.

Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Compensation Committee but shall not chair the Committee.

5.2 Meetings:

The Committee will meet periodically as necessary to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. A majority of the Committee will comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers, or other employees of the company, or any other persons whose advice and counsel are sought by the Committee, to attend any meeting of the Committee to provide pertinent information. Periodically, the Committee may meet in executive session separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

5.3 Authority:

The Committee will have the authority:

1. To retain search firms to be used to identify appropriate director candidates or to retain other advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.
2. To approve appropriate compensation at the company's expense for any search firms or other advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.

5.4 Terms of Reference:

1. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
2. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. For appointment of independent directors, the Committee shall ensure the process prescribed in SEBI(LODR) Regulations, 2015.
3. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—

- a) 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.
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c) 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.
 - d) Nomination and remuneration policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy, shall be disclosed in the Board's report.
4. The Committee shall formulate criteria for evaluation of performance of independent directors and the board of directors;
 5. The Committee shall devise a policy on diversity of board of directors;
 6. The Committee to examine 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.
 7. The Committee recommend to the board, all remuneration, in whatever form, payable to senior management.
 8. Administer the implementation and award of stock options under the stock option plans of the Company.
 9. Framing suitable policies and systems to ensure that there is no violation, by an employee or Company of any applicable laws in India or overseas, including:
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
 - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003.
 10. Perform such functions as are required to be performed by the Compensation Committee under Regulation 5 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at www.onmobile.com
