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# **ORIENTAL POWER CABLES LIMITED**

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## **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES.**

### **Introduction**

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy (“the policy”).

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

### **Remuneration Policy**

#### **Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Whole-time Director and other Executive Directors. This will be then approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to Whole-time Director. Salary is paid within the range approved by the Shareholders. Annual increments effective as may board thinks fit each year, as recommended by the Nomination and Remuneration Committee, and is approved by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non Executive Directors and Non-Independent Non Executive Directors receive sitting fees for attending the meeting of the Board.

#### **Key Managerial Personnel and Other Employees**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

## **Criteria for Board Membership**

### **Directors**

The Company shall take into account following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

### **Independent Director**

Independent Director is a director who has no direct or indirect material relationship with Sunshield or any of its officers, other than as a director or shareholder of Sunshield. Independent Director shall meet all criteria specified in Section 149(7) of the Companies Act, 2013 and rules made there under.

## **APPOINTMENT OF NEW DIRECTORS**

The Board has delegated to the Nomination and Remuneration Committee the responsibility for identifying and recommending to the Board, candidates for the Board, after considering the necessary and desirable competencies for new Board members, prudential fitness and propriety criteria, and relevant regulatory and statutory requirements.

The Board of Oriental Power Cables Limited believes that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually and the Board collectively, to:

- discharge their responsibilities and duties under the law effectively and efficiently;
- understand the business of Oriental Power Cables Limited and the environment in which the OPCL Group operates so as to be able to agree with management the objectives, goals and strategic direction which will maximize shareholder value; and
- assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new directors, the Nomination and Remuneration Committee identify the competencies required to enable the Board to fulfill its responsibilities. In so doing, the Nomination and Remuneration Committee will have regard to the results of the annual appraisal of the Board's performance.

Accordingly, to Article of Association the Company pays sitting fees to each present director in board meeting of Rs. 2,500. No sitting fees will payable for attending General Meeting and Committee Meetings therefore.

While recognizing that each Director will not necessarily fulfill all criteria, the Nomination and Remuneration Committee has identified the following fundamental core factors as relevant to the selection and appointment of new directors:

- outstanding in capability with extensive and senior commercial experience, preferably with a prestigious company;
- cultural fit with existing Board members and empathy to OPCL's culture;
- high level of personal integrity;
- has the ability to work in a collegial manner;
- independent states of mind;
- free of conflicts as identified by OPCL; and
- time available to meet the commitment required.

In addition, the diversity of the Board, including female representation, and specific skills identified from time to time are considered to complement the overall mix of functional skills of Board members.

The Charter of the Committee provides that the Committee may engage recruitment consultants to undertake research on, or assess, candidates for new positions on the Board, or to consult other independent experts where it considers it necessary to carry out its duties and responsibilities.

The Nomination and Remuneration Committee makes its assessment against the above criteria. Recommendations for new Board members are put to the Board for its consideration and approval.