

# OSWAL PUMPS LIMITED

## Policy on Nomination, Remuneration and Board Diversity

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### Amendment History

<b>S. No.</b>	<b>Amendment Date</b>	<b>Policy Version</b>	<b>Document Owner</b>	<b>Nature of Change</b>

## Policy on Nomination, Remuneration and Board Diversity

### 1. BACKGROUND

Section 178 of the Companies Act, 2013 requires the Nomination and Remuneration Committee (“**Committee**”) to recommend to the Board of Directors (“**Board**”) a policy for nomination and remuneration of directors, key managerial personnel (“**KMP**”), Senior Management and other employees.

This nomination and remuneration policy (“**Policy**”) harmonises the requirements of the Companies Act, 2013 including any rules made thereunder, each as amended (“**Act**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”).

Oswal Pumps Limited (“**Company**”) considers its human resources its invaluable assets. This Policy has been formulated to align aspirations of the employees with the goals of the Company.

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.

### 2. OBJECTIVE

The key objectives of this Policy are:

1. 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;
2. To recommend to the Board appointment and removal of Directors, KMP and Senior Management of the Company.
3. To recommend to the Board the remuneration payable to the Directors (Whole-time/non-executive/independent), KMP, Senior Management and Other Employees of the Company.
4. To evaluate the performance of every member of the Board, KMP, member of Senior Management and provide necessary report to the Board for their further performance evaluation by the Board.
5. To recommend reward(s) payable to the KMP and Senior Management, linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
6. To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
7. To lay down criteria for determining the Company’s approach to ensure adequate diversity in its Board;
8. To do such other acts or deeds as may be prescribed under applicable law.

### 3. DEFINITIONS

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

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

“**Committee**” means the Nomination and Remuneration Committee of the Board.

“**Company**” shall mean Oswal Pumps Limited.

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

“**Key Managerial Personnel**” or “**KMP**” shall have the same meaning ascribed to it in clause (51) of section 2 of the Act and Regulation 2(1)(bb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018..

“**Other Employees**” means the employees as may be decided by the Committee from time to time.

**“Senior Management”** shall have the same meaning ascribed to it in Regulation 16(1)(d) of the SEBI Listing Regulations.

**“SEBI Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Words and expressions not defined in this Policy shall have the same meaning as contained in the Act, the SEBI Listing Regulations or any other applicable laws or regulations. In case of any contradictions in the provisions of the SEBI Listing Regulations, the Act or any other regulation and provisions of the Policy, the provisions of the Act and the SEBI Listing Regulations will prevail over the Policy.

#### **4. INTERPRETATION**

The words and expressions used in this Policy unless defined herein shall have the meaning assigned to them in the Act, SEBI Listing Regulations and such other act, laws, rules or regulations along with any statutory modification(s) or re-enactment(s) thereof, as the case may be.

If due to any reason, any provisions(s)/ clause(s) of this Policy is rendered unlawful or unenforceable, then the Policy shall be read as excluding that provision(s)/ clause(s).

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

#### **5. 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.

#### **6. ATTRIBUTES, QUALIFICATIONS AND DIVERSITY**

##### **Appointment criteria and qualifications**

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 and while doing so, take note of the following and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board:

1. The 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 and satisfactory for the concerned position.
2. The Company shall not appoint or employ at the same time a managing director and a manager.
3. The Company shall not appoint or continue the employment of any person as managing director, manager or whole time director who is below the age of twenty-one years or has attained the age of seventy years. Provided that the appointment of a person who has attained the age of seventy years or term of such 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-five years in accordance with applicable law.
4. The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
5. At the time of appointment of a Director it should be ensured that number of boards on which such Director serves as a director, including an alternate directorship, is restricted to twenty companies (including not more than ten public companies). Further a person shall not be a director in more than seven listed entities.
6. At the time of appointment of Independent Director it should be ensured that the number of boards of companies 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.

7. No independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director. The Company shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.
8. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
9. Any vacancy in the office of independent director shall be filled by appointment of a new independent director within the prescribed period under the Act and/or SEBI Listing Regulations.
10. Provided that where the company fulfils the requirement of independent directors in its Board even without filling the vacancy, the requirement of replacement by / appointment of a new independent director shall not apply.
11. The Company shall ensure that approval of shareholders for appointment of a person on the Board is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

### **Diversity**

The Committee shall:

1. Assess the appropriate mix of diversity, skills, qualification, professional experience, etc. and assess the extent to which the required skills are represented on the Board.
2. Make recommendation to the Board in relation to the appointments and maintain an appropriate mix of diversity, skills, experience and expertise on the Board.
3. Periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

### **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the Act and the rules made thereunder.

### **Retirement**

The Director, KMP and Senior Management 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 in the same position remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **7. REMUNERATION POLICY**

### **Board Members**

The overall limits of remuneration of the Board members are governed by the provisions of Section 197 of the Act and SEBI 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.

## **Non-Executive Directors including Independent Directors**

Commission:

Commission may be paid on profits within the monetary limit approved by the shareholders, subject to the limit prescribed and computed as per the applicable provisions of the Act and/or SEBI Listing Regulations.

Sitting Fees:

In addition to the profit linked commission, the Non-Executive and/or Independent Directors may also be paid sitting fees, as determined by the Board from time to time and allowed under the Act and SEBI Listing Regulations.

Stock Options:

An independent director shall not be entitled to any stock option of the Company.

Reimbursement of expenses:

A Non-Executive and/or Independent Directors may receive reimbursement of expenses for participation in the Board and other meetings of the Company. All legitimate expenses which are incidental/ ancillary to effectively perform the duty as an Independent Director of the Company and which the concerned director would not have incurred had he not been the director of the Company e.g. courier charges, telephone expenses etc may be reimbursed.

## **Key Managerial Personnel and Senior Management**

The remuneration payable to Key Managerial Personnel and Senior Management, in whatever form, shall be recommended to the Board by the Committee.

Employees to be assigned grades according to their qualifications, work experience, competencies and their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs, as per the prevailing policy of the Company.

Loans and advances to the employees shall be granted in accordance with their conditions of service and shall be as per the prevailing policy of the Company.

## **8. GENERAL LIMITATIONS**

In the event of any conflict between this Policy and any regulatory provision(s), such regulatory provision(s) shall prevail over this Policy.

## **9. DISCLOSURE**

This Policy shall be disclosed under a separate section on the website of the Company.

## **10. REVIEW OF POLICY AND AMENDMENT**

This Policy will be reviewed and updated from time to time, as may be required. The Managing Director and the Company Secretary are jointly authorized to amend the Policy to give effect to any changes/ amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be placed before the Board for noting and ratification in the next meeting held after such changes/amendments are effected. For any clarification/ assistance in relation to this Policy, please approach the Compliance officer of the Company at E-mail ID: [investorrelations@oswalpumps.com](mailto:investorrelations@oswalpumps.com))

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