

## **OLYMPIC MANAGEMENT AND FINANCE SERVICES LTD.**

### *Nomination and Remuneration Policy*

The Remuneration Committee of Board of Directors of **Olympic Management And Finance Services Ltd.** (“the Company”) consisting of three Independent Directors. On 12<sup>th</sup> May, 2014, the Board reconstituted this Committee, in order to align it with the provisions of the Companies Act, 2013 and the Listing Agreement; the Board renamed the “Remuneration Committee” as “Nomination and Remuneration Committee”.

#### **1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To analyse composition and size of the Board, to discharge its responsibilities and duties.
- d) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### **2. DEFINITIONS**

**(a) Key Managerial Personnel:** Key Managerial Personnel means—

- (i) Chief Executive Officer or the managing director or the manager;

- (ii) company secretary,
- (iii) whole-time director;
- (iv) Chief Financial Officer; and
- (v) such other officer as may be prescribed.

**(b) Senior Management:** Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

### 3. **ROLE OF COMMITTEE**

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the 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.
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

g) to devise a policy on Board diversity.

h) to develop a succession plan for the Board and to regularly review the plan.

#### **4. POLICY FOR APPOINTING NEW DIRECTORS AND RE-ELECTION OF DIRECTORS:**

a) The Board has delegated to the Remuneration and Nominations Committee of the Board, the responsibility for identifying and recommending to the Board, candidates for the Board, after considering the necessary and desirable competencies for new Board members.

b) The Board believes that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that will best complement Board effectiveness, diversity and allow the directors to individually, and as a Board collectively to:

i. discharge their responsibilities and duties under the law effectively and efficiently;

ii. understand the business of the Company and the environment in which the Company operates so as to be able to agree with management the objectives, goals and strategic direction which will maximise shareholder value; and

iii. assess the performance of management in meeting those objectives and goals.

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

- d) In respect of diversity, the Remuneration and Nominations Committee considers that diversity includes differences that relate to gender, race, ethnicity, age, personality, cognitive style, tenure, education and background.
  
- e) While recognising that each director will not necessarily fulfil all criteria, the Remuneration and Nominations Committee have identified the following fundamental factors as relevant to the selection and appointment of new directors:
  - i. outstanding in capability with extensive and senior commercial experience, preferably with a listed company;
  
  - ii. high level of personal integrity; and
  
  - iii. time available to meet the commitment required.

**5. PERFORMANCE AND EDUCATION OF DIRECTORS:**

- a) The Remuneration and Nominations Committee is responsible for:
  - i. establishing processes and appropriate measures for evaluating the performance of the Board, both collectively and individually;
  
  - ii. annually evaluating the performance of the Board, both collectively and individually;
  
  - iii. regularly reviewing the time required from non-executive directors to perform their functions and assessing whether they are satisfying time requirements;
  
  - iv. establishing induction programmes for new directors to allow new directors to participate fully and actively in Board decision making at the earliest opportunity; and

v. developing continuing education programmes for directors.

b) A member of the Remuneration and Nominations Committee must not participate in any review or assessment of their own performance.

## **6. REMUNERATION:**

In performing its responsibilities in relation to remuneration, the Remuneration and Nominations Committee must give appropriate consideration to the Company's performance and objectives, employment conditions and remuneration relativities.

The Remuneration and Nominations Committee is responsible for:

### ***Executive remuneration and incentive policies***

i. reviewing and recommending to the Board for approval, executive remuneration and incentive policies and practices;

### ***Executive directors and senior management***

- ii. reviewing and recommending to the Board for approval the terms and conditions of employment of the chief executive officer / chief financial officer;
- iii. reviewing and recommending to the Board for approval the chief executive officer's / chief financial officer's total remuneration (including base pay, short term and long term incentive programs and termination entitlements);
- iv. the Chairman, with assistance from the Remuneration and Nominations Committee where required, will be responsible for reviewing the performance of the chief executive officer / chief financial officer, at least annually, including setting the chief executive officer's / chief

executive officer's goals for the coming year and reviewing the progress in achieving these goals;

- v. determining if shareholder approval is needed for any change to remuneration of directors or executives;
- vi. reviewing and recommending to the Board for approval, the recommendation of the chief executive officer / chief financial officer on:
  - a. the total remuneration (including incentive awards, equity awards and retirement and termination payments);
  - b. the terms of engagement; and
  - c. any changes to the total remuneration and terms of employment, of direct reports of the chief executive officer / chief financial officer and other senior executives;
- vii. reviewing and recommending to the Board for approval changes to the remuneration or terms of engagement of executive directors before implementation.

***Non-executive directors***

- viii. reviewing and recommending to the Board for approval the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total);
- ix. reviewing and recommending to the Board for approval the remuneration and retirement policies for non-executive directors having regard to market trends and shareholder interests;

***Reimbursement of expenses***

- x. reviewing and monitoring the reimbursement of any expenses incurred by directors; and

### ***Insurance and indemnities***

- xi. reviewing any insurance premiums or indemnities for the benefit of directors and officers.

## **7. INDUCTIONPROGRAM**

The Remuneration and Nominations Committee is responsible for developing an induction program for new directors that enables them to gain an understanding of:

- (a) the Company's financial, strategic, operational and risk management position;
- (b) the rights, duties, and responsibilities of the directors;
- (c) the roles and responsibilities of senior executives; and
- (d) the role of Board committees.

## **8. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

## **9. CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.

- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **10. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **11. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **12. SECRETARY**

- a) The Company Secretary / CFO of the Company shall act as Secretary of the Committee.

## **13. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.



- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **14. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- b) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- c) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- d) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- e) Determining the appropriate size, diversity and composition of the Board;
- f) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- g) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- h) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- i) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the 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.

- j) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- k) Recommend any necessary changes to the Board.
- l) Considering any other matters as may be requested by the Board

## **15. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.