

NOMINATION AND REMUNERATION POLICY OF ORTEL COMMUNICATIONS LIMITED

(CIN: U74899DL1995PLC069353)

1. Preamble:

Companies Act, 2013 read with applicable rules made thereunder and listing agreement applicable to Company on listing requires the Nomination and Remuneration Committee to formulate a policy relating to appointment, remuneration, retirement and removal of Director (s)/ Key Managerial Personnel (KMPs) and Senior Management Personnel. This policy has been formulated in compliance with above regulation.

2. Definitions:

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

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“Senior Management” means the personnel of the company who are members of its core management team excluding Board of Directors and Key Managerial Personnel of the level GM and above.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors including one Woman Director from different areas/fields like production, Technology management, Finance, Sales & marketing, Human Resources, Administration etc or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs:

4. 1. 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 70 (seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (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 70 (seventy) years.

4.2. 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.

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 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.

4.3. Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP subject to the provisions and compliance of the said Act, rules and regulations.

4.4. Retirement:

The KMPs who are not Directors shall retire as per prevailing policy of the Company. The Board will have the discretion to retain KMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company on the recommendation of President & CEO.

4.5. Remuneration:

1. Remuneration to Managing/Whole-time / Executive -Director

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director 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 on the recommendation of Committee to the Board for its approval.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees 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 and on the recommendation of Committee to the Board for its approval.

3. Remuneration to KMP:

The Committee will recommend the remuneration to be paid to the KMP to the Board for their approval as per the provisions of the Act/ Policy of the Company. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors or KMPs of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and variable pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.

5. POLICY FOR APPOINTMENT,REMUNERATION,RETIREMENT AND REMOVAL OF SENIOR MANAGEMENT PERSONNEL:

5.1. Appointment criteria and qualification

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment at Senior Management level and recommended to the Board his / her appointment.
- b) A person should possess adequate qualification, functional 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.

5.2. Retirement & Removal

The Senior Management Personnel shall retire as per the prevailing policy of the Company. The Committee will have the discretion to retain the Senior Manager Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company based on the recommendation of President & CEO.

The Senior management personnel shall be removed after taking appropriate disciplinary action due to any breach of code of conduct/ ethics and / or any misconduct during the service.

5.3. Remuneration

The Committee will recommend the remuneration to be paid to the Senior management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the Company successfully. The same should be reviewed periodically to make any adjustment based on the market.

The remuneration of such persons shall be in accordance with performance criteria defined for the role thorough performance management system to achieve the company's goal. The remuneration should be a balance of fixed and incentive pay which will be determined by fixed pay components and executive incentives scheme applicable to their level as and when in place.

REVIEW AND AMENDMENT:

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the President & CEO /Compliance Officer where there is any statutory changes necessitating the change in the policy.

(Approved by Board of Directors in its Meeting held on 19 Febräuary,2015)

Certified True Copy

Lalit Kumar Mohanty

Company Secretary