

## **ONWARD TECHNOLOGIES LIMITED**

### **Policies for Code of Conduct and Business Ethics of the Company**

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## ***Introduction:***

Since inception, Onward Technologies Limited' business practices have been governed by integrity, trust, Confidentiality, fair dealing and full compliance with all applicable laws.

Onward Technologies Limited' employees worldwide have upheld and lived this commitment in their everyday responsibilities ever since, and Onward Technologies Limited' reputation remains one of the Company's most valuable assets today. Onward Technologies Limited' Business Principles prescribe certain values and principles which Onward Technologies Limited' has committed to worldwide.

The policies for Code of Conduct and Business Ethics specify and help the continued execution of the Corporate Business Principles.

It is designed to provide a frame of reference against which to measure any activities. Employees should seek guidance when they are in doubt about the proper course of action in a given situation, as it is the ultimate responsibility of each employee to "do the right thing", a responsibility that cannot be delegated.

Employees should always be guided by the following basic principles: – avoid any conduct that could damage or risk Onward Technologies Limited' or its reputation; – act legally and honestly; – put the Company's interests ahead of personal or other interests. For the purposes of this Code, references to "employees" include employees, associates, officers and directors of Onward Technologies Limited' and its subsidiaries.

**ONWARD TECHNOLOGIES LIMITED**

**Code of Conduct of the Company**

## Code of Conduct - Introduction

The adoption of this Code of Conduct of the Board of Directors and Senior Management (the “**Code**”) stems from the fiduciary responsibility which the Board Members and Senior Management have towards the stakeholders in Onward Technologies Limited (“**Company**”), and ensures compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Therefore, Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit. In the observance of the Code, the Directors in their capacity as Directors, per se, will have a Directional role and the Executive Directors and Senior Management Personnel will have executive responsibility.

The Code is applicable to the following persons, referred to as Officers:

- Our Board members; and
- Our Senior Management holding positions such as Managing Director/Executive Director, President, Senior Vice Presidents, General Managers, Senior Managers.

## Honest and Ethical Conduct

The Officers shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working for the Company.

We consider honest conduct to be conduct that is free from fraud or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

The Officers shall to the best of their knowledge and ability, adhere to, comply with and advocate the principles set out in this Code governing their professional and ethical conduct in the fulfillment of their responsibilities.

The Officers shall create an environment free from gender specific harassment, discrimination and exploitation.

## Conduct of Business

The conduct of Company's business shall be consistent with the core values, which are set out below:

- Customer Sovereignty
- People Orientation
- Innovation and Entrepreneurship
- Transparency and Integrity
- Anticipation, speed and flexibility
- Passion for superior performance

The Officers shall not be involved in any activity that would have any adverse effect on the objectives of the Company or against national interest. The corporate objectives to be pursued shall be to sustain the competitive edge of the company and not to indulge in any activity which is detrimental to the society at large.

### **Conflict of Interest**

The Officers shall avoid any conflicts between the Officers and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Board of Directors. A conflict of interest can occur when:

- An Officer's personal interest is adverse to or may appear to be adverse to the interests of the Company as a whole.
- An Officer or his or her relative, receives improper personal benefits as a result of his/her position as an Officer of the Company.
- The Officer commits himself or on behalf of the Company in regard to any arrangement or control of a binding nature unless specifically authorized by the Board of Directors in that behalf.

Some of the more common conflicts, which Officers should avoid, are listed below:

***Relationship of Company with third parties:*** The Officers may not receive a personal benefit from a person or firm, which is seeking to do business or to retain business with the Company. An Officer shall keep away himself/herself from any decision taken by the Board of Directors of the Company involving another firm or company with which the Officer is affiliated.

***Directorship in other companies:*** the members of the Board shall not accept any position of influence or of pecuniary interest including directorship in any other organization whose business is in direct competition with that of the Company.

***Gifts:*** Officers may not offer, give or receive gifts from persons or entities that deal with the Company in those cases where any such gift is being made in order to influence the Officers' actions as the member of the Board of Directors or senior management official, or where acceptance of the gifts could create the appearance of a conflict of interest. Nominal gifts of commemorative nature for special events may be accepted or given and reported.

***Personal use of Company assets:*** Officers may not use the corporate assets, labour or information for personal use unless approved by proper authority, or as a part of a compensation or expense reimbursement program available to all Officers.

***Corporate Opportunities:*** Officers may not exploit for their personal gains, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors decline to pursue such opportunity.

**Other Situations:** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Officers must consult the Company's audit committee.

## **Safety Health and Environment**

The Officers are committed to sustained development by conserving natural resources and by ensuring that our present and future operations comply with the applicable environmental standards, legislations and customers' requirements.

The Company shall continue to take environmental care by:

- Endeavoring for continual improvement of our environmental performance by prevention of pollution as well as reduction of waste generation and minimization of the impact of our activities, products and services on the environment.
- Conservation of energy, natural and non-renewable resources by effective monitoring and improvement of processes.
- Encouraging our neighbors, suppliers, contractors and customers to work in an environmentally responsible manner.

The Officers will continually seek to increase the awareness and the sense of responsibility of each individual employee for environmental protection during all stages of performance of work and we shall also facilitate the involvement of our suppliers and customers in this effort.

## **Confidential Information**

The Company's confidential information is a valuable asset. The Company's confidential information includes all information developed within the Company with respect to its business, is confidential and should not be disclosed to any unauthorized person. The confidential information is the property of the Company and may be protected by patent, trademark, copyright laws. All confidential information must be used for Company business purposes only. Every employee, agent and contractor must safeguard it. This responsibility includes, not disclosing the Company's confidential information such as information regarding the Company's services or business over the internet. This responsibility includes the safeguarding, securing and proper disposal of confidential information such as information in accordance with the Company's policy. This obligation extends to confidential information of third parties, which the Company has rightfully received under Non-Disclosure Agreements.

**Disclosure of Company Confidential Information:** To further the Company's business, from time to time our confidential information may be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks.

**Requests by Regulatory Authorities:** The Company and its employees, agents and contractors must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of the Company with respect to its confidential information. No financial information may be disclosed without the prior approval of the Chief Financial Officer.

**Media Disclosure:** In the normal course of business, the Officers may receive inquiries from representatives of the news media. Such inquiries must be referred to the Officer appointed to deal with media representatives.

### **Compliance with Governmental Laws, Rules and Regulations**

Officers must comply with all applicable governmental laws, rules and regulations. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the finance department. Violations of applicable governmental laws, rules and regulations may subject Officers to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

### **Financial Reporting and Records**

The Officers must ensure that they prepare and maintain accounts of the Company's business affairs fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conduct its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to Company Auditors and other authorized parties and government agencies. There shall be no willful omissions of any Company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of this code, apart from inviting appropriate civil or criminal action under the relevant law.

### **Reporting of any Illegal or Unethical Behavior**

The Officers shall promote ethical behavior and take steps to ensure that the Company:

- Encourages employees to talk to supervisors, managers and other appropriate personnel, when in doubt about the best course of action in a particular situation.
- Encourages employees to report violations of laws, rules and regulations of this Code or the code of conduct for personnel.
- Informs the employees that the Company will not allow retaliation for reports made in good faith.

### **Violations of the Code**

Part of an Officer's job and of his/her ethical responsibility, is to help enforce this Code. Officers should be alert to possible violations and report this to the HR department or the finance department. Officers must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith,

reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation is prohibited.

The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.

### **Waivers and Amendments of the Code**

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendments or waiver.

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# **ONWARD TECHNOLOGIES LIMITED**

## **Policy on Board Diversity**

**Preface:**

This Policy on Board Diversity (the “Policy”) sets out the Company’s approach to ensuring adequate diversity in its Board of Directors (the “Board”) and is devised in consultation with the Nomination and Remuneration Committee (the “Committee”) of the Board.

**Scope of Application:**

The Policy applies to the Board of Directors of the Company, i.e. Onward Technologies Limited (‘OTL’).

**Policy Statement:**

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company’s boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall confirm to the following two principles for achieving diversity on the Board:

- Decisions pertaining to appointment and remuneration of the directors will be based on their performance and competence; and
- For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

**Gender-** the Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months.

**Ethnicity** - The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;

**Physical disability** - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.

**Educational qualification-** The Directors of the Company shall have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

### **Review of the Policy:**

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with the provisions of Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Disclosure of Policy:**

This policy shall be uploaded on the website of the Company at [www.onwardgroup.com](http://www.onwardgroup.com) and a web-link thereto shall be provided in the Annual Report of the Company.

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# **ONWARD TECHNOLOGIES LIMITED**

## **Policy for Determination of Materiality for Disclosure of any Event / Information**

## **Preface:**

The Board of Directors (the “Board”) of Onward Technologies Limited (the “Company” or “OTL”) has adopted the following policy and procedures with regard to determination of ‘Materiality’ of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

## **Scope of Application:**

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

## **Criteria for determination of materiality of events / information:**

The Company shall consider the criteria as specified in clause (i) of sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events / information.

## **Disclosure of events or information:**

**A. The following events / information specified in para A of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of the guidelines for materiality:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean,-

- a) acquiring control, whether directly or indirectly; or,
  - b) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
    - the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
    - there has been a change in holding from the last disclosure made under sub-clause a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - b) any cancellation of dividend with reasons thereof;
  - c) the decision on buyback of securities;
  - d) the decision with respect to fund raising proposed to be undertaken
  - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g) short particulars of any other alterations of capital, including calls;

- h) financial results;
  - i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
  6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
  7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
  8. Appointment or discontinuation of share transfer agent.
  9. Corporate debt restructuring.
  10. One time settlement with a bank.
  11. Reference to BIFR and winding-up petition filed by any party / creditors.
  12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
  13. Proceedings of Annual and extraordinary general meetings of the listed entity.
  14. Amendments to memorandum and articles of association of listed entity, in brief.

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

**B. The following events / information specified in para B of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges after following the procedural guidelines as given in para 5 of this Policy:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

### **Procedural Guidelines for determination of materiality of events/ information:**

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, various Functional Heads of the Management of the Company who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Mr. Harish Mehta, Managing Director or Mr. Jigar Mehta, Chief Operating Officer or Mr. Yogesh Desai, Compliance Officer of the Company any event / information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event / information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event / information, the Compliance Officer will:

1. Review event / information and to take whatever steps necessary to verify its accuracy;
2. Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
3. Report the matter to Mr. Harish Mehta, Managing Director or Mr. Jigar Mehta, Chief Operating Officer that event / information is material and requires disclosure under Regulation 30 of the Listing Regulations.

Where Mr. Harish Mehta, Managing Director or Mr. Jigar Mehta, Chief Operating Officer or Mr. Yogesh Desai, Compliance Officer is not certain about materiality of event / information, they may refer matter for external legal advice.

The procedure to be followed in relation to the lodgment of announcement of material event / information is as follows:

- i. Prepare draft announcement to the Stock Exchanges: If the event / information is material, the Compliance Officer will prepare draft

announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of Mr. Harish Mehta, Managing Director or Mr. Jigar Mehta, Chief Operating Officer of the Company.

- ii. Lodge Announcements: The Compliance Officer on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.
- iii. Post announcement on website: After lodgment of the announcement with the Stock Exchanges, the Compliance Officer will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

#### **Review of the Policy:**

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

#### **Disclosure of Policy:**

This policy shall be uploaded on the website of the Company at [www.onwardgroup.com](http://www.onwardgroup.com) and a web-link thereto shall be provided in the Annual Report of the Company.

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# **ONWARD TECHNOLOGIES LIMITED**

## **REMUNERATION POLICY**

The Remuneration Policy of Onward Technologies Limited (the “Company”) is designed by the Nomination and Remuneration Committee (NRC) of the Company to attract, motivate and retain manpower in a competitive market. The policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company’s Senior Management, including its Key Managerial Person and Board of Directors, and other employees.

## **OBJECTIVE**

The Remuneration policy shall be in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 read along with applicable rules thereto and any re-enactment thereof.

The Key Objectives of the NRC would be:

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their performance and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

## **GUIDING PRINCIPLES**

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

- The remuneration policy for executives reflects the overriding remuneration philosophy and principles of the Company. When determining the remuneration policy and arrangements for executives Directors/ KMP’s, the Nomination and Remuneration Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- The management while designing the remuneration package shall consider the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

- The Committee while evaluating a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- The Committee shall consider that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

## **REWARD PRINCIPLES AND OBJECTIVES**

Our remuneration policy is guided by a common reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013, inter alia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

## **REWARD POLICIES**

**Attract and retain:** Remuneration packages are designed to attract high-caliber executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

**Motivate and reward:** Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

**The principal terms of non-monetary benefits:** The Executives will be entitled to customary non-monetary benefits such as company cars and company health care, telephone etc. In addition thereto, in individual cases company housing and other benefits may also be offered.

## **COMPENSATION STRUCTURE**

### **(a) Remuneration to Non-Executive Directors:**

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Audit Committee of Board of Directors shall be Rs. 50,000/- per meeting. However, sitting fees for attending Nomination and Remuneration Committee and Stakeholders' Relationship committee meetings shall be Rs. 5,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission. The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

**(b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board.

As a policy, the Executive Directors are neither paid sitting fee nor any commission.

**SELECTION OF BOARD MEMBERS/ EXTENDING INVITATION TO A POTENTIAL DIRECTOR TO JOIN THE BOARD**

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee shall also identify suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. Any appointment of the candidate to join the Board of the Company shall be done in compliance of the applicable provisions of Companies Act, 2013 and such other laws as may be applicable thereto.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

**SELECTION AND APPOINTMENT OF KEY MANAGERIAL PERSONNEL(S) (KMPS) & SENIOR MANAGEMENT PERSONNEL (S) (SMPS):**

The Human Resource (HR) department of the Company may conduct a wide-ranging search for candidates for the positions of employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market. The department shall then place their search report before the Nomination and Remuneration Committee for their recommendations on the same.

The Committee shall actively liaise with the HR department of the Company to study the requirement for Senior Management Personnel, and produce a written document thereon;

The expression “senior management” shall mean personnel of the company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the executive directors, including the functional heads.

Persons/Officers of the Company having following designations shall be termed as Senior Management Personnel of the Company:

1. Chief Executive Officer (CEO),
2. Chief Financial Officer (CFO),
3. Chief Operating Officer (COO)

The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the candidates shall be compiled in a written document;

A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;

Before appointment of employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors for their approval. The selected candidate shall be appointed by the Board of Directors of the Company upon recommendation of the Committee.

#### **DISCLOSURE OF INFORMATION**

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

#### **APPROVAL OF THE REMUNERATION POLICY**

This Remuneration Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

This Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

Any departure from the policy shall be recorded and reasoned in the Board's minutes.

## DISSEMINATION

The Company's Remuneration Policy shall be disclosed in the report of the Board of Directors of the Company. This policy shall also be hosted on the Company's website, [www.onwardgroup.com](http://www.onwardgroup.com).

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## **ONWARD TECHNOLOGIES LIMITED**

### ***Composition of Board & Committees of the Board of Directors of the Company***

#### **The Board of Directors:**

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|--------------------------|---|
| 1. Mr. Harish Mehta      | Executive Chairman                      |
| 2. Mr. Jigar Mehta       | Managing Director                       |
| 3. Mr. Nandkumar Pradhan | Independent Director                    |
| 4. Mr. Pranay Vakil      | Independent Director                    |
| 5. Mrs. Prachi Mehta     | Non-Executive Non- Independent Director |
| 6. Mr. Rahul Rathi       | Independent Director                    |
| 7. Mr. Parish Meghani    | Independent Director                    |

#### **Members of Audit Committee:**

- |                          |          |
|--------------------------|----------|
| 1. Mr. Pranay Vakil      | Chairman |
| 2. Mr. Nandkumar Pradhan | Member   |
| 3. Mr. Rahul Rathi       | Member   |
| 4. Mr. Parish Meghani    | Member   |

#### **Members of Nomination & Remuneration Committee:**

- |                          |          |
|--------------------------|----------|
| 1. Mr. Nandkumar Pradhan | Chairman |
| 2. Mr. Rahul Rathi       | Member   |
| 3. Mr. Parish Meghani    | Member   |

#### **Members of Corporate Social Responsibility Committee:**

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|----------------------|----------|
| 1. Mr. Pranay Vakil  | Chairman |
| 2. Mr. Harish Mehta  | Member   |
| 3. Mrs. Prachi Mehta | Member   |

#### **Members of Stakeholders' Relationship Committee:**

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|-----------------------|----------|
| 1. Mr. Parish Meghani | Chairman |
| 2. Mr. Jigar Mehta    | Member   |
| 3. Mrs. Prachi Mehta  | Member   |

#### **Members of Banking Committee:**

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|---------------------|----------|
| 1. Mr. Harish Mehta | Chairman |
| 2. Mrs. Jigar Mehta | Member   |
| 3. Mr. Pranay Vakil | Member   |