



HMT LIMITED

एचएमटी लिमिटेड

**POLICY ON BOARD DIVERSITY AND CRITERIA ON APPOINTMENT, REMUNERATION,
EVALUATION OF DIRECTORS & OTHERS**

**बोर्ड में विविधता संबंधी नीति और निदेशकों तथा अन्य व्यक्तियों की नियुक्ति,
पारिश्रमिक और मूल्यांकन के मानदंड**

(As approved by the Board of Directors of the Company on 09.02.2026)

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POLICY ON BOARD DIVERSITY AND CRITERIA ON APPOINTMENT, REMUNERATION, EVALUATION OF DIRECTORS & OTHERS

1. PREAMBLE

HMT Limited is a Government Company as per provisions of section 2(45) of the Companies Act 2013.

The Board of Directors of HMT Limited (“the Company”) has to adopt/formulate the following on the recommendation of Nomination and Remuneration Committee.

- a) Criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- b) Criteria for evaluation of performance of independent directors and the board of directors.
- c) Policy on Diversity of the Board of Directors.

and also determine the skills/expertise/competence of the Board of Directors and succession of the Board of Directors & Senior Management in accordance with applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & the Companies Act 2013.

1.1 DEFINITIONS

In this Policy, unless repugnant to the subject or context of its usage, the following expressions shall carry meanings hereunder assigned to them, namely

- A. **‘Board of Directors’** or **‘Board’** shall mean the collective body of Directors of the Company;
- B. **‘Company / HMT’** shall mean HMT Limited (CIN L29230KA1953GOI000748);
- C. **‘Director’** shall mean a Director on the Board of the Company;
- D. **‘Functional Director’** includes the Chairman & Managing Director, Director (Finance), Director (Operations) or any other Functional Director appointed on the Board of the Company;
- E. **‘Independent Director’ / ‘Non-official (Independent) Director’** shall mean an Independent Director of the Company within the meaning of the Companies Act, 2013, SEBI LODR Regulations or other applicable laws, as amended from time to time;
- F. **‘Key Managerial Personnel (KMP)’** shall mean the Key Managerial Personnel of the Company as defined under the Companies Act, 2013 and includes all Functional Directors, Compliance Officer and officers identified & designated as Key Managerial Personnel of the Company;
- G. **‘Ministry of Heavy Industries / Administrative Ministry’** shall mean the Ministry of Heavy Industries, Government of India, which is the administrative ministry of HMT Limited;
- H. **‘Nomination & Remuneration Committee (NRC)’** shall mean the Nomination & Remuneration Committee of Directors of HMT Limited, constituted as per the provisions of the Companies Act, 2013, SEBI LODR Regulations, DPE Guidelines on Corporate Governance for CPSEs and other applicable laws;

H. **Policy**’ shall mean this “*Policy on Board Diversity and Criteria on appointment, remuneration, evaluation of Directors & Others*” of HMT Limited;

I. **SEBI LODR Regulations**’ shall mean SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time;

J. **Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity. (**As defined in SEBI (LODR) Regulations, 2015**)

K. **Compliance Officer**’ means Company Secretary appointed/designated as Compliance Officer under Regulation 6 of SEBI (LODR) Regulations, 2015.

2. DIVERSITY / SKILLS / QUALIFICATION OF BOARD OF DIRECTORS

HMT Limited recognizes and embraces the importance of diverse Board for maintaining competitive advantage. A true diverse Board shall enhance the quality of decisions by utilizing different skills, qualifications, cultural and regional experience, geographical and industry experience, ethnicity, gender, knowledge and length of service and other distinguishing qualities of members of the Board.

In the process of attaining a diverse Board, the Company is governed by the following provisions of the Articles of Association, Companies Act, 2013, SEBI (LODR) Regulation, 2015, DPE guidelines etc.

The Articles of Association of the Company stipulate that the number of Directors shall not be less than 3 (Three) and not more than 15 (Fifteen).

Section 149 (1) & (4) of the Companies Act, 2013 provides that every listed Company is required to have at least one-woman Director.

Further, clause 17 (1) (a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 provides that Board of Directors shall have an optimum combination of executive and non-executive directors with atleast one-woman director and not less than 50% of the Board of Directors shall comprise of Independent Directors. Provided that the Board of Directors of the top 1000 listed entities shall have at least one independent woman Director.

The Board of Directors shall comprise of not less than six directors in line with provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

As per DPE Guidelines, the Board of Directors of the company shall have an optimum combination of Functional, Nominee and Independent Directors. The number of Full time Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board. The number of Government Nominee Directors shall not exceed two. The number of non-official part-time Directors (Independent Directors) should be at least half of the actual strength of the Board.

HMT Limited being a Government Company, all the Directors on the Board are selected and appointed by the Government of India as per a well laid down process for each category of

Directors. The Government of India normally takes into account, includes and makes good use of diversity in the skills, qualifications, age, profession & industry, experience and expertise, irrespective of race, caste, creed, religion, disability, gender and culture.

The skills / expertise / competencies as required in the context of business(es) & sector(s) pertaining to the Company are identified by the President of India / Government of India and accordingly selection of Directors on the Board of Directors of the Company is made by the Government as per its own process. At the time of recruitment of the Functional Directors, job description, desirable qualification & experience of candidates are sent to the Public Enterprise Selection Board through the administrative Ministry for announcement of vacancy and recruitment of candidates.

3. APPOINTMENT / REMOVAL / SUCCESSION / REMUNERATION / PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

Being a Government Company, the appointment and fixation of terms and conditions of all Directors (including tenure & remuneration of Functional Directors) are carried out by the Government of India / President of India in line with DPE Guidelines.

Once Directors are appointed by the Government of India (GOI) through Administrative Ministry i.e., Ministry of Heavy Industries, the appointments are regularized through Board process as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

In terms of Articles of Association of the Company, all the powers regarding appointment of Directors vests with the President of India.

The Board has not been vested with any powers in these matters. Accordingly, Succession in respect of all Functional Directors and Part-Time Official Directors (Government Nominee Directors) / Non-Official Directors (Independent Directors) are taken care by the President of India acting through the Ministry of Heavy Industries, Government of India.

EVALUATION OF BOARD OF DIRECTORS: Ministry of Corporate Affairs, Govt. of India has given exemption u/s 178 of the Companies Act, 2013 to Government Companies from the provisions related to performance evaluation of Directors. Further, MCA vide its notification dated July 5, 2017 has made an amendment in the Schedule IV of the Companies Act, 2013 whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Director of Non-Independent Directors and C&MD, and performance evaluation of the Independent Directors by the Board, if the concerned departments or ministries have specified these requirements.

As all the Directors are appointed by the Government of India, the existing system of performance evaluation, if any, by the Government of India in respect of the Directors shall prevail.

4. CRITERIA FOR APPOINTMENT / REMUNERATION OF SENIOR MANAGEMENT PERSONNEL (INCLUDING KMP) AND OTHER EMPLOYEES

The appointment / promotion / remuneration and other matters in respect of Senior Management Personnel (including KMPs) and other employees are governed by HMT's extant policies and guidelines as approved by the Board of HMT Limited in line with DPE guidelines. Further, their remuneration is governed by guidelines issued by Department of Public Enterprises (DPE) from time to time. Hence, appointment/remuneration etc. of KMPs and Senior Management / other employees shall be made as per the HMT's extant policies and guidelines and DPE guidelines.

5. REVIEW AND AMENDMENTS

The Nomination and Remuneration Committee (NRC) will review the policy from time to time and make recommendations on any required changes to the Board for consideration and approval.

6. LIMITATION

In the event of any conflict between the provisions of this policy and the provisions of any applicable laws, the provisions of the applicable laws shall prevail over this policy.

Any subsequent amendments / modifications in the provisions of the applicable laws shall automatically apply to this policy and the policy shall be read accordingly.

7. APPROVAL

The Board of Directors of the Company approved this Policy on 09.02.2026.

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