

ELDECO INFRASTRUCTURE & PROPERTIES LIMITED

Nomination and Remuneration Policy

INTRODUCTION

This Nomination and Remuneration Policy is being formulated by the Nomination and Remuneration Committee of the Company (NRC or the Committee) in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto, as amended from time to time. This policy is applicable to the Directors, Key Managerial Personnel and Senior Management of the Company.

(A) Objective and purpose of the policy

The objectives and purpose of this policy are:

- To determine the qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To review the size and composition of the Board periodically, to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole.
- To formulate the criteria for evaluation of performance of all the Directors on the Board as per **Annexure A** and;
- To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

(B) Definitions

‘Act’ means Companies Act, 2013

‘Board’ means Board of Directors of the Company.

‘Directors’ means Directors of the Company.

‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.

‘Company’ means Eldeco Infrastructure and Properties Limited

‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Director) Rules, 2014.

‘Key Managerial Personnel (KMP)’ means-

- i) the Chief Executive Officer or the managing director or the manager;
- ii) the Company Secretary;
- iii) the whole-time director;
- iv) the Chief Financial Officer; and
- v) such other officer as may be prescribed

Eldeco Infrastructure & Properties Ltd.

Senior Management means 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.

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

(C) Criteria for appointment and removal of Directors, KMPs and Senior Management

(a) Appointment Criteria and qualifications

1. The Committee shall identify and ascertain the integrity , qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management level and recommend the profile to the Board for their appointment as and when required.
2. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who is below the age of twenty-one years or has attained the age of seventy years. Provided that the terms of the person holding this position may be extended at the discretion of the committee 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 appointment beyond seventy years.
3. A KMP of the Company shall not hold office in more than one Company except in its Subsidiary company at the same time. However, a KMP can be appointed as a Director in any company, with the permission of the Board.

(b) Term/Tenure

1. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director, Whole-time Director or Manager 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.

2. 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 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.

(c) Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable laws or as per the prevailing policy of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act & rules.

(c) Retirement

The KMP, Senior Management personnel and other employees shall retire as per the prevailing policy of the Company.

(D) Basis of remuneration for Directors, KMPs and Senior Management

(a) Remuneration to Managing Director/Whole-Time Directors:

1. The Remuneration/Commission etc, to be paid to Managing Director/Whole-time Directors shall be governed as per provisions of the Act and rules made thereunder or any other enactment for the time being in force and the approvals obtained from the Shareholders of the Company.
2. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.

(b) Minimum remuneration to Managing Director

If, in any financial year , the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

(c) Remuneration to KMPs and Senior Management

The guidelines for remuneration payable to the employees are as follows:

(i) Annual Remuneration

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts – a fixed component and a special incentive in case of some exceptional performance.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys, from time to time.

(ii) Stock Option

The Independent Directors shall not be entitled to any Employee Stock Option Scheme (“ESOP”) of the Company whereas Managing Director, Whole-time Directors, KMPs, Senior Management and other employees may be entitled to get the ESOP of the Company based on their performance.

(d) Remuneration to Non-Executive/Independent Directors

Non-executive/Independent Directors shall receive the sitting fees, reimbursement, if any for the expenditure incurred wholly in connection with the business of the Company and in connection with attending meetings of the Board. Non-executive Directors shall not be entitled to any performance-based incentives or bonus payments.

Policy Review

This policy is framed based on the provisions of the Act and rules framed thereunder.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in the policy inconsistent with the Act, then the provisions of the Act would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law.

This policy shall be reviewed by the Committee as and when changes are to be incorporated in the policy due to change in the Act or as may be felt appropriate by the Committee. Any changes or modification on the policy will be recommended by the Committee for the approval of the Board.

PERFORMANCE EVALUATION

The following “Performance Evaluation” is addressed to the Board and is only for the purpose of internal use only.

• **Evaluation Factors**

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of independent directors, non-independent directors, and other employees of the Company and committees of directors separately, as, such evaluation factors may vary in accordance with their respective functions and duties.

Rating Scale

Scale	Performance
5	Exceptionally Good
4	Good
3	Satisfactory
2	Needs Improvement
1	Unacceptable

1. Independent Directors

Overall Rating

- Compliance with Companies Act & other laws :
- Compliance with ethical standard & code of conduct of Company :
- Assistance in implementing corporate governance policies :
- Leadership Qualities :
- Qualifications :
- Review of integrity of financial performance :
- Safeguard of Stakeholder’s interest :
- Appointment & Removal of KMPs :
- Updation of skills and knowledge :
- Information regarding external environment :
- Seeking expert opinion , when required :
- Team work attributes :
- Safeguard of confidential information :

2. Non-Independent Directors/Executive Directors

Overall Rating

- Compliance with Companies Act & other laws :
- Strategic Planning- financial & business :
- Operational performance of the Company :
- Monitoring performance against plans :
- Steps initiated towards business developments :
- Steps initiated towards branding of the Company :
- Compliance with ethical standard & code of conduct of Company :
- Exercising duties diligently :
- Qualifications :
- Disclosure of Interest :
- Leadership Skills :
- Motivating employees, providing assistance & directions :
- Establishment of internal control process :
- Communication Skills :
- Attendance & presence in meetings of Board & Committees :
- Attendance of general meetings :
- Team work attributes :
- Monitoring policies, encouraging suggestions :
- Supervising & training the staff members :
- Safeguard of confidential information :

3. Other KMP and Senior Employees

Overall Rating

- Compliance with ethical standards & code of conduct of Company :
- Achievement of target fixed :
- Fulfillment of roles and responsibilities granted to them :
- Punctuality and other related aspects :