



DUCON INFRA TECHNOLOGIES LIMITED

NOMINATION

AND

REMUNERATION POLICY



Purpose of the Policy:

The Nomination and Remuneration Committee ("Committee") of Ducon Infratechnologies Limited "the Company" and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other rules / regulations as may be applicable to the Company.

The Policy is framed with the objective(s):

- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key Managerial Personnel (KMP) of the Company;
- To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations and
- To lay down criteria for appointment, removal of directors and Key Managerial Personnel and evaluation of their performance.

Definitions:

Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Board means Board of Directors of the Company.

Directors mean Directors of the Company

Policy or this Policy means "Nomination and Remuneration Policy."



Key Managerial Personnel means

- Chief Executive Officer or the Managing Director or the Manager, in their absence, a whole time Director
- Chief Financial Officer;
- Company Secretary and such other officer as may be prescribed.

Composition of Nomination and Remuneration Committee (Committee)

- The Committee shall consist of minimum three Directors
- All the members of the Committee shall be Non-Executive Director.
- Two third of the Directors shall be Independent Directors.
- The Chairperson of the Committee shall be an Independent Director.
- The Chairman of the Company (whether executive or non- executive) may be appointed as a member of the Committee but shall not chair the Committee.
- The quorum for any meeting of the Committee shall be either two members or one third of the members of the Committee present whichever is greater (any fraction to be rounded off to the next whole number) subject to a minimum of One independent members availability.
- The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- All decisions taken at the Committee meeting shall be by a majority vote of the members present
- Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.

Role of Committee and Matters to be dealt with, perused and recommended, if required, to the Board by the Nomination and Remuneration Committee:

- Formulation of the 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;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.]
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Formulation of Succession policy and Succession plan for Vice Chairman and Managing



- Director, Key Managerial personnel and Senior Management Personnel.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Powers of the Committee:

The Committee shall have powers, which include the following:

- i) To examine any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v) Any other matter as may be assigned by the Board of Directors from time to time.

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. The Committee shall have authority to appoint and terminate outside counsel or other experts or consultants as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The Committee may for this purpose utilise the office of the Company Secretary to appoint and interact with such outside counsel or other experts or consultants. The Company will provide the Committee with appropriate funding, as the Committee determines for the payment of compensation to the Company's outside counsel and other advisors as it deems appropriate and administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. In discharging its responsibilities, the Committee is empowered to examine any matter relating to compensation and remuneration which are brought to its attention. The Committee will have access to the Company's books, records, facilities, and personnel. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Policy for appointment and removal of Director and Key Managerial Personnel (KMP) Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel 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 are sufficient / satisfactory for the concerned position.

Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:

- (a) **Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company,
- (b) **Responsibilities and Accountability:** The roles and responsibilities towards the organization and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration,



- (c) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality,
- (d) **Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation,
- (e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

Remuneration to Directors and Key Managerial Personnel:

The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

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.

b) Independent Director:

- No Independent Director shall hold office for more than two consecutive terms, 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.

Evaluation:

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director:

General

- a) The remuneration / compensation / commission etc. to the Whole-time Director and



Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

- b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:
- o Conducting benchmarking with companies of similar type on the remuneration package;
 - o The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - o Clear linkage of remuneration and appropriate performance benchmarking and
 - o Remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives to the working of the Company and its goals.
- c) Increments including bonuses, incentive and other rewards to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

Remuneration to Non-Executive / Independent Director:

Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed INR One Lakh per meeting of the Board and Committee or such amount as may be prescribed by the Central Government from time to time.

Non-Executive Non-Independent Directors :

Non-Executive Non-Independent Directors shall be entitled to reimbursement of expenses for attending the meetings of the Board/Committees but shall not be entitled to receive the sitting fees.

Frequency of the meetings:

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities but shall meet atleast once a year.

Committee Members Interests:

1. 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.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Minutes of Committee Meetings:

Proceedings of all the meetings are recorded and signed by the Chairman of the said



meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting are tabled at the Meeting of the Board and entered in the Minutes binder.

General Responsibilities:

- i) Report to the Board on matters discussed at each Committee meeting.
- ii) Examine any matter brought to its attention within the scope of its duties.
- iii) Evaluate annually its own performance and discuss the outcome of the evaluation with the Board. To review compensation related disclosures to be filed or submitted by the Company pursuant to applicable rules.
- iv) The Committee shall review and reassess the adequacy of this Policy annually and recommend any proposed changes to the Board for approval.
- v) Perform other functions as requested by the Board.

Changes in the governing laws:

Any changes in the governing laws such as the Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, and the other Laws, Rules, Notifications and Guidelines, if any, issued/framed thereunder and applicable to the Company which has an effect of enlarging the scope, role and power of the Committee shall automatically form part of this policy to enlarge the role of the Committee provided herein above.