



DCC INFRA PROJECTS LIMITED
(Formerly known as Diamond Construction Co.)
CIN- U45500HR2021PLC095865

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION :

The Board of Directors (the “Board”) of DCC Infra Projects Limited (the “Company” hereinafter called as “DIPL”) has adopted this Policy on at its meeting held on August 22, 2022

2. OBJECTIVE:

DCC Infra Projects Limited (DIPL) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- Ensuring that 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.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

3. SCOPE AND PURPOSE:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

4. TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

- a. **“Director”** means a director appointed to the Board of a company.
- b. **“Key Managerial Personnel”** 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;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed under the Companies Act, 2013



- c. **“Nomination and Remuneration Committee”** means the committee constituted by DIPL Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- d. Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;
- e. Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- f. Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
- g. Review all stockholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal;
- h. Ensure “fit and proper” status of existing/proposed Directors of the Company in accordance with Circular on Corporate Governance, issued from time to time;
- i. Formulate, administer and supervise the Company’s Stock Option schemes, if any, in accordance with relevant laws;
- j. Ensure that 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;
- k. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- l. Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management 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;
- m. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
- n. Formulate the criteria for evaluation of Independent Directors and the Board;
- o. Devise a policy on Board diversity;
- p. Identify the persons who are qualified to become Directors and who may be appointed in senior



management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

q. Deal with such matters as may be referred to by the Board of Directors from time to time;

5. The Committee shall:

- i. review the ongoing appropriateness and relevance of the Policy;
- ii. ensure that all provisions regarding disclosure of remuneration, gratuity, etc. are fulfilled;
- iii. obtain reliable, up-to-date information about remuneration in other companies;
- iv. Ensure that no director or executive is involved in any decisions as to their own remuneration.

Without prejudice to the generality of the terms of reference as set out above, the Committee shall:

- i. Operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes, as the case maybe;
- ii. Liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
- iii. Review the terms of Executives service contracts from time to time.

6. PRINCIPLES OF REMUNERATION

- (a) **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.
- (b) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- (c) **Internal equity:** The Company shall remunerate the executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- (d) **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.



- (e) **Flexibility:** Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other laws.
- (f) **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

7. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

A. Board membership criteria:

- (a) The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- (b) In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy- making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
- (c) Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- (d) In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- (e) The Committee shall evaluate each Director with the objective of having a group that best enables the success of the Company's business.

B. Selection of Board Members/ extending invitation to a potential director to join the Board:

- (a) 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 also identifies 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.



(b) The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

8. PROCEDURE FOR SELECTION AND NOMINATION OF KMP AND SMPS

The Chairman and the Director identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPS of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors / concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

Further, in case of appointment of SMPS (excluding KMPs), the appointment as approved by the board of directors shall be placed before the NRC at regular intervals.

9. COMPENSATION STRUCTURE

Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company will be paid remuneration by way of fees for attending the meetings of the Board of Directors and its Committees and also paid the remuneration as per section 197 of the Companies Act, 2013. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act, 2013 which is currently Rs. 100,000/- per meeting i.e. Board or Committee. Beside the sitting fees and remuneration, they are also entitled to reimbursement of expenses, if any.

The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

An Independent Director may receive remuneration as determined by the Board of directors subject to the approval of shareholders as per Companies Act, 2013.

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

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. In case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013.

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company may receive any remuneration or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by Chairman along with other board of directors after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/Concerned Committees, if stipulated by any Act, statute, regulations etc.

Remuneration to Other Employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

10. POWERS OF THE COMMITTEE AND MEETINGS OF THE COMMITTEE

The Committee shall have inter-alia the following powers:

- (a) Conduct studies or authorize studies of issues within the scope of the Committee with full access to all books, records, facilities and personnel of the Company;
- (b) Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;
- (c) Delegate its powers to any Member of the Committee or any KMP of the Company or form sub-committees to perform any of its functions or role under this Policy.



The Committee shall meet as per the requirements of law or at such larger frequency as may be required. .

11. APPROVAL AND PUBLICATION

- (a) This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- (b) The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

12. SUPPLEMENTARY PROVISIONS

- (a) This Policy shall formally be implemented from the date on which it is adopted by the Board of Directors.
- (b) Any matters not provided for in this Policy shall be handled in accordance with relevant laws and regulations, the Company's Articles of Association.
- (c) The right to interpret this Policy vests in the Board of Directors of the Company.