

NCC Urban Infrastructure Limited

NOMINATION AND REMUNERATION POLICY

Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. *For every appointment of an independent director, 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:*
 - a. *use the services of an external agencies, if required;*
 - b. *consider candidates from a wide range of backgrounds, having due regard to diversity; and*
 - c. *consider the time commitments of the candidates.*
- iii. Formulation of criteria for evaluation of Independent Director and the Board
- iv. Devising a policy on Board diversity.
- v. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy
- vi. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vii. 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.
- i. recommend to the board, all remuneration, in whatever form, payable to senior management.

Effective Date: This policy shall be operational with immediate effect.

Definitions:

- **“Board”**:-Board means Board of Directors of the Company.
- **“Director”**:-Directors means Directors of the Company.
- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means NCC Urban Infrastructure Limited.
- **“Independent Director”**:- As provided under the Companies Act, 2013.
- **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-(i) the Chief Executive Officer or the Managing Director; (ii) the Company Secretary; (iii) the Whole-Time Director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the applicable statutory provisions.

- **“Senior Management”**:- The expression “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 and shall specifically include company secretary and chief financial officer

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:-The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with the Company’s policy and applicable statutory requirement.

General Appointment Criteria:

- The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.
- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as mentioned herein earlier under the head ‘Definitions’ and also their appointment shall be governed as per the provisions of the Companies Act, 2013 as amended from time to time.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act and rules made thereunder.

Criteria for Evaluation of Independent Directors and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets / Criteria given to the Executive Directors by the Board from time to time

2. Non Executive Director: The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they

- a) act objectively and constructively while exercising their duties;
- b) exercise their responsibilities in a bona fide manner in the interest of the company;
- c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) refrain from any action that would lead to loss of its independence
- f) inform the Board immediately when they lose their independence,
- g) assist the company in implementing the best corporate governance practices.
- h) strive to attend all meetings of the Board of Directors and the Committees;
- i) participate constructively and actively in the committees of the Board in which they are members;
- j) strive to attend the general meetings of the company;
- k) keep themselves well informed about the company and the external environment in which it operates;
- l) do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- m) do not disclose confidential information;
- n) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- o) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from different areas / fields of expertise such as Finance, Engineering, Infrastructure, Banking, Legal, Accounts, or such other field of specialisation as may be considered appropriate by the Board.

The Board shall have at least one Board member who has accounting or related financial management expertise and majority shall have ability to read and understand, the financial statement.

Remuneration:

The level and composition of remuneration determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration may also involve 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 Executive Committee of the Board shall be empowered to decide on the yearly increments and / or promotions of the Key Managerial Personnel (other than that of Directors) within the overall framework of this Policy.

1. Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. Non executive Independent Directors

The Non- Executive Independent Director may receive remuneration by way of commission and / or sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such commission and / or fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder including any amendments thereto or reenactment thereof or any other enactment for the time being in force.

3. KMPs / Senior Management Personnel etc.

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4. Directors' and Officers' Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Amendments in Law

Any subsequent amendment / modification to the Listing Regulations and / or other applicable laws in this regard shall automatically apply to this Policy.