

**HAND BOOK**

**ON**

**NOMINATION AND  
REMUNERATION POLICY**

**OF**

**CIAL  
INFRASTRUCTURES LIMITED**

# CIAL INFRASTRUCTURES LIMITED

## NOMINATION AND REMUNERATION POLICY

### INTRODUCTION:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act 2013 (herein after called as 'the Act') read along with the applicable rules thereto, as amended from time to time.

This policy on nomination and remuneration of Directors and Key Managerial Personnel has to be initially approved by the Nomination and Remuneration Committee (NRC or the Committee). The draft Nomination and Remuneration Policy proposed by the NRC has to be approved by the Board of Directors. The policy regarding the recruitment of Senior Management position will be covered under the Recruitment and Promotion Policy of the Company duly approved by the Board of Directors of CIAL.

### OBJECTIVE:

The Key Objectives and purpose of this policy are:

- Laying down criteria for determining qualifications, positive attributes for appointment of director and key managerial personnel
- Laying down criteria for determining independence of a director
- Laying down manner of determining remuneration for the Directors and key managerial personnel.
- Criteria for effective evaluation of performance of Board, its committees and individual Directors
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### DEFINITIONS:

- **Independent Director** means a director referred to in Section 149(6) of the Act, as amended from time to time.
- **Key Managerial Personnel** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.
- **Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.
- **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act 1961.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act shall have the meanings assigned to them therein.

### **APPLICABILITY:**

This policy is applicable to:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel

### **COMPOSITION OF THE COMMITTEE:**

The composition of the Nomination and Remuneration Committee shall be in compliance with the Act, Rules made there under, as amended from time to time.

### **ROLE OF THE COMMITTEE:**

- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To identify persons who are qualified to become Directors and Key Managerial Personnel in accordance with the criteria laid down in this policy.
- To carry out evaluation of performance of Board, its committees and individual Directors.
- To recommend to the Board the appointment and removal of Directors and Key Managerial Personnel.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### **CRITERIA FOR DETERMINING:**

#### **(A) QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)**

- Persons of eminence, standing and knowledge with significant achievements in business, professions and / or public service;
- Their financial or business literacy / skills;
- Other appropriate qualification/experience to meet the objectives of the Company;
- As per the applicable provisions of Companies Act 2013 and the Rules made there under.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

**(B) POSITIVE ATTRIBUTES OF DIRECTORS (INCLUDING INDEPENDENCE OF DIRECTORS):**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with Key Managerial personnel of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors are required to be independent within the meaning of Section 149 (6) of the Act.
- Independent Directors are to comply with the requirements of the Companies Act 2013 read with the Rules made there under as amended from time to time and shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act 2013.

**(C) APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

- To possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To possess the requisite qualifications and experience that the role envisaged demands.

**REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Directors and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Directors and Key Managerial Personnel.

The remuneration / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / Shareholders.

The Nomination and Remuneration Committee shall ensure that—

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors and key managerial personnel 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.

**REVIEW AND AMENDMENT:**

The Nomination and remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amended or substitute the same as and when required, where there are any statutory changes necessitating the change in the policy.