



**CAPACIT 'E INFRAPROJECTS LIMITED**

**NOMINATION & REMUNERATION POLICY**

## INDEX

<b>S. No.</b>	<b>Particulars</b>	<b>Pages</b>
1.	Preface	3
2.	Objective	3
3.	Definitions	4-5
4.	Scope	5
5.	Policy for appointment and removal of Director's, KMPs, and Senior Management	5-6
6.	Remuneration to Managing Director / Whole-time / Executive, KMP and Senior Management Personnel:	6
7.	Duties and responsibilities of the Committee	7-8
8.	Insurance	8
9.	Review and Amendments	8

## ❖ **Preface**

With reference to Company's efforts to consider human resources as its valuable assets, to pay equitable remuneration to Executive Directors, Key Managerial Personnel (KMPs) and Employees of the Company, to harmonize aspirations of the human resources consistent with goals of the Company and pursuant to the provisions of the Companies Act 2013, the Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. The revised policy is adopted by Board of Directors on the recommendation of the Nomination and Remuneration Committee.

### **Nomination and Remuneration Committee**

Pursuant to Section 178 of the Companies Act 2013, and Regulation 19 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Board of Directors has constituted Nomination and Remuneration Committee consisting of three non-executive directors out of which not less than two third of the Directors are Independent Directors. The Chairman of the Committee is an Independent Director.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ❖ **Policy Objectives:**

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

1. Guidance to the Board in relation to the appointment or removal of Directors, Key Managerial Personnel and Senior Management.
2. Formulation of criteria for determining qualifications, experience, positive attributes and independence of Directors.
3. Formulation of Policy regarding remuneration of Directors, KMPs and other employees.
4. Formulation of criteria for evaluation of performance of Independent Director and the Board.
5. Recommendation to the Board regarding remuneration payable to the Executive Directors, KMPs, and Senior Management.
6. Devising a policy on diversity of Board of Directors.

## ❖ DEFINITIONS

- **The Act** mean Companies Act 2013 and the rules framed thereunder, as amended from time to time
- **SEBI LODR Regulation, 2015** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- **Board** means Board of Directors of the Company
- **Directors** means Directors of the Company
- **Committee** means Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board
- **Company** means Capacit'e Infraprojects Limited
- **Independent Director** means a director referred to in Section 149 (6) of **the Act**
  - (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
  - (vi) such other officer as may be prescribed.
- **Senior Management** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

- **“Key Managerial Personnel” means:**

- a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director
- b) Chief Financial Officer;
- c) Company Secretary and
- d) Such other officers as may be prescribed.

❖ **Scope of the Policy:**

The Policy is applicable regarding appointment and remuneration in case of:

1. Executive Directors
2. Key Managerial Personnel (KMPs)
3. Senior Management Personnel

❖ **Policy for appointment and removal of Director’s, KMPs, and Senior Management:**

**Appointment criteria and qualifications:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person proposed to be appointed as Director, KMP or Senior Managerial Personnel and recommend to the Board his / her appointment

A person should possess adequate qualification, expertise and experience for the position for which appointment is considered. The Committee has discretion to decide whether qualification, expertise and experience possessed by the person is sufficient for the concerned position.

The Company shall not appoint or continue directorship of any person as non-executive Director who has attained the age of Seventy-Five years provided that the term of person holding this position may be extended beyond the age of seventy-five years with the approval of the shareholders by passing a special resolution based on explanatory statement annexed to the notice and the justification stating reasons / clarification for extension of appointment beyond seventy-five years.

**Term / Tenure of Appointment:**

**a) Managing Director / Whole-time Director:**

The Company shall appoint or re-appoint any person as its, Managing Director or Executive Director 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.

The Company shall not appoint or continue employment of any person as Whole-time Director who has attained the age of Seventy years provided that the term of person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by

passing a special resolution based on the justification stating reasons/ clarification for extension of appointment beyond seventy years

#### **b) Independent Director:**

- An Independent Director shall hold office for a term up to maximum of 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 up to maximum 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.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### **3. Evaluation**

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

### **4. Removal**

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

### **5. Retirement**

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

*FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL*

#### **❖ Remuneration to Managing Director / Whole-time / Executive, KMP and Senior Management Personnel:**

The extent of overall remuneration payable may be decided taking into consideration the following parameters:

- Sufficient to attract, motivate and retain talented and qualified individuals suitable for respective role

- Reflective of size of the Company's operations, complexity of the role / sector / industry / geography etc.
- Company's compensation, grading structure, **performance evaluation** and applicable policies
- Market benchmark for equivalent jobs/role
- Regulatory requirements, if any.

❖ **Remuneration to Non- Executive / Independent Director:**

The Non-Executive Independent Director may receive remuneration / compensation / commission as under;

- Sitting fees for attending the Board Meetings and meetings of its committee/s as may be approved by the Board of Directors.
- Yearly profit related commission as may be approved by the Shareholders and While determining such commission, factors like attendance in the meetings, role played by the Independent Director etc. may be considered by the Board/ Shareholders.

❖ **Duties and responsibilities of the Committee:**

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance

reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

#### ❖ **Insurance**

Where any insurance is taken by the Company on behalf of its Directors, Managing Director & CEO, Key Management Personnel and Senior Management members 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.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### ❖ **Review and Amendments:**

- i. The NRC or Board as the case may be may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- ii. The Board may review, amend or substitute this policy as and when required on the recommendation of NRC Committee.
- iii. In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other legal requirement (“Applicable Law”), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.
- iv. This policy shall be placed on the website of the Company and the salient features and any changes therein along with the web address of the policy, if any shall be disclosed in the Board’s Report.