

# **AGI INFRA LIMITED**

## **NOMINATION AND REMUNERATION POLICY**

## 1. INTRODUCTION

This policy on nomination & remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Remuneration and Nomination committee to align the objectives and goals of the company with the requirements of the Companies Act,2013 and the Listing Agreement with the Stock Exchange (as amended from time to time).

## 2. DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed there under, as may be amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Company**” mean AGI Infra Limited.

“**Committee**” means the Nomination & Remuneration Compensation Committee of the Board of Directors.

“**Compliance Officer**” means the Company Secretary of the Company.

“**Directors**” means members of Board of Directors of the Company.

“**Key Managerial Personnel**” shall have the same meaning as in Section 2(51) of the Companies Act, 2013.

“**Senior Management**” means personnel of the company who are members of the core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

The words and expression used in this policy not defined herein above will have the same meaning as defined in Companies Act, 2013 including any amendments made from time to time.

## 3. APPLICABILITY

This Policy is applicable to:

- a. Directors (Executive and Non-Executive)
- b. Key Managerial Personnel; and
- c. Senior Management

## 4. OBJECTIVE

The objective of this policy is to ensure compliance with section 178 of the Companies Act,2013 read with the applicable rules and listing agreement entered with the stock exchange and to lay down a framework in relation to remuneration of Directors, KMPs and Senior Management of the Company. This policy also lays down a criterion for recommending the appointment of Board Members (Independent Directors, Executive Directors and Non-Executive Directors).

## **5. DUTIES IN RELATION TO NOMINATION AND REMUNERATION**

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

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- c. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- d. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- e. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the company's operations.
- f. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- g. To assist in developing a succession plan for the Board.
- h. Delegation of any of its powers to any member of the Committee or the Compliance Officer.

## **6. CONSTITUTION OF COMMITTEE**

The Board has the power to constitute/re-constitute the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more nonexecutive directors out of which not less than one-half shall be independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

## **7. CRITERIA FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **A. Appointment Criteria and Qualifications**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- ii. 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 is sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as 'Managing Director and Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## **B. Term / Tenure**

### **i. 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. No re-appointment shall be made earlier than one year before the expiry of term.

### **ii. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years 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.

## **C. Evaluation**

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

## **D. 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.

## **E. Retirement**

The Director, KMP and Senior Management 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, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **8. REMUNERATION TO DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **a. Remuneration to Executive Directors**

The remuneration to the Executive Directors shall be governed by the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Managing Director gets a monthly salary, perquisites and performance pay as per the policies of the Company. In the event of the Managing Director desiring to leave the service of the Company, he shall give to the Company 6 months'

notice. The company may, at its sole discretion, relieve the Managing Director of his duties any time by giving 6 months' notice. The Executive Directors gets a monthly salary, perquisites and performance pay as per the policies of the Company. Salary, as recommended by the Remuneration Committee and approved by the Board and the Shareholders of the Company, perquisites, retirement benefits and performance pay are also paid/provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions. The remuneration paid to Executive Directors is determined keeping in view the industry benchmarks and Company's policy.

**b. Remuneration to Non- Executive / Independent Director**

The remuneration shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made there under for the time being in force. The Non-Executive Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. An Independent Director will not be eligible to any stock option of the Company.

**c. Remuneration to Key Managerial Personnel and Senior Management**

The Remuneration to KMP, Senior Management and other staff will be determined by the Committee and recommended to the Board for approval. KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013 and the rules made there under for the time being in force.

If, in any financial year, the Company has no profits or its profits are inadequate, the company shall pay to remuneration to its managerial personnel in accordance with the provisions of Schedule V of the Companies Act, 2013. If any managerial personnel draw or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. Key principles of the Remuneration Policy while designing compensation for Key Managerial Personnel, Senior Management and other employees, the following set of principles act as guiding factors:

- Aligning key executive and Board Remuneration with the longer-term interests of the Company and its Shareholders
- Minimize complexity and ensure transparency
- Link to long term strategy as well as annual business performance of the Company
- Reflective of line expertise, market competitiveness so as to attract the best talent.

**9. REVIEW AND AMENDMENT**

The Committee or the Board may review the Policy as and when it deems necessary. The Board on its own and/or as per the recommendations of Committee can amend the policy, as and when deemed fit.

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