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# **NOMINATION AND REMUNERATION POLICY**

## **PREAMBLE**

Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that the Board of Directors on the recommendation of Nomination and Remuneration Committee has to formulate Nomination and Remuneration Policy detailing therein inter alia, the criteria for determining qualifications, positive attributes and independence of a Director; remuneration for the Directors, Key Managerial Personnel and other employees; review of performance of non-independent directors and Chairman of the Board and performance evaluation of Independent Directors.

Accordingly, the Nomination and Remuneration Policy of Adhbhut Infrastructure Limited has been designed to keep pace with the dynamic business environment and market linked positioning. The Policy has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee ("NRC") of the Company.

## **APPLICABILITY**

**This Policy is applicable to:**

- a) Directors (Executive, Non-Executive and Independent)
- b) Key Managerial Personnel (KMP)
- c) Senior Management Personnel
- d) Other employees as may be decided by the Committee ("NRC")

## **OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- (a) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board.

- (b) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- (c) 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.
- (d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (e) To devise a policy on Board diversity.
- (f) To develop a succession plan for the Board and to regularly review the plan;
- (g) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

### **ROLE OF COMMITTEE**

The Committee shall:

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director
- (b) 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.
- (c) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

#### **Appointment criteria and qualifications:**

- 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.
- 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.
- The Company shall not appoint or continue the employment of any person as 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.

**Term / Tenure:**

(1) **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.

(2) **Independent Director:** - An Independent Director shall hold office for a term up to 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, but such Independent Director shall be eligible for appointment after expiry of five years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of five years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**Evaluation:**

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

**Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, 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.

**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.

### **FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

### **MEMBERSHIP**

- (a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- (b) Membership of the Committee shall be disclosed in the Annual Report.
- (c) Term of the Committee shall be continued unless terminated by the Board of Directors.

### **CHAIRPERSON**

- (a) Chairperson of the Committee shall be an Independent Director.
- (b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- (d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **COMMITTEE MEMBERS' INTERESTS**

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **VOTING**

- Matters arising for determination at Committee meetings shall be decided by a

majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### **REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR**

**Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee. Provided that the amount of such fees shall not exceed Rs 1 Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

### **NOMINATION DUTIES**

**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;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 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.

### **REMUNERATION DUTIES**

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

- To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is 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.
- To approve 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.
- To delegate any of its powers to one or more of its members of the Committee.
- To consider any other matters as may be requested by the Board.

### **MINUTES OF COMMITTEE MEETING**

Proceedings of all Meetings must be minute down and signed by the Chairman of the Committee at the subsequent Meeting. Minutes of the Committee Meetings will be tabled at the subsequent Board and Committee Meeting.