



**NOMINATION AND REMUNERATION  
POLICY**

**OF**

**AFCONS INFRASTRUCTURE LIMITED**

## Index

Sr. No.	Particulars	Page No.
1.	Introduction	1
2.	Objective and purpose of the Policy	1
3.	Appointment criteria and qualifications	1
4.	Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees	2
5.	Appointment/Removal/Retirement and Evaluation of Performance of Directors	2
6.	Appointment/Removal, Remuneration and Evaluation of Performance of KMP and Senior Management Personnel	3
7.	Policy Review	3
8.	Effective Date of the Policy	3

### Flow of applicability of the Policy to the Company

Sr. No.	Adoption/Amendment	Date
1	Adoption at Board Meeting	24 <sup>th</sup> March, 2015
2	Amendment at Board Meeting	24 <sup>th</sup> March, 2022

## **I Introduction:**

In pursuance of the policy of AFCONS INFRASTRUCTURE LIMITED (“**Company**” or “**AFCONS**”) to consider human resources as its invaluable assets, to pay equitable remuneration to Directors, Key Managerial Personnels and the Senior Management Personnel# of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 (“**Act**”) and Rules thereto as amended from time to time, this Nomination and Remuneration Policy has been formulated by the Nomination and Remuneration Committee (“**Committee**” or “**NRC**”).

*# For the purpose of this Policy, the expression **Senior Management Personnel** means personnels of the Company who are members of its core management team excluding Board of Directors comprising all members of the management one level below the executive directors, including functional heads.*

## **II Objective and purpose of the Policy**

The objective of this Policy is as under:-

- To adhere to the provisions of the Companies Act, 2013 and Rules framed thereunder as amended from time to time.
- To formulate the criteria for determining qualifications, competencies, positive attributes and independence of Directors, Key Managerial Personnels and Senior Management Personnels.
- To recommend to the Board of Directors of the Company (“the Board”) a policy, relating to the remuneration for the directors, Key Managerial Personnel of the Company (“KMPs”) and other employees. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director of the Company.
- To specify manner for effective evaluation by the Board, of the performance of the individual directors and that of Board of Directors of the Company (“**Board**”), its various committees constituted as required by the Act, and to review its implementation and compliance.

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

- The candidate should possess Ethical standard of integrity and probity, desired qualification and experience for the appointment to the position.
- The candidate should be free from any disqualifications as stipulated under provisions of the Companies Act, 2013.
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 in case of appointment of an independent director;
- The Company shall not appoint or continue the employment of any person as Whole-time Director, Managing Director or Manager who has attained the age of 70 years.

Provided that the term of the person holding this position may be extended beyond the age of 70 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 70 years.

#### **IV Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and Other employees**

The Committee shall ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors (both non-executive Directors and Independent Director) of the quality required to run the company successfully;
- The remuneration to Executive directors, Key Managerial Personnel, Senior Management shall involve a balance between fixed and incentive pay linked to the short and long-term performance appropriate to the working of the Company and its goals.
- The remuneration (including payment of minimum remuneration) to Executive Directors shall be within the overall ceiling prescribed under the Companies Act 2013. Within the said overall ceiling of remuneration, the Executive Directors will be entitled to avail of the perquisites under different heads as may be applicable to the other Senior Management Personnel of the Company. Such remuneration to the Executive Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to prior/post approval of the shareholders of the Company. The annual increments and incentives to the Executive Directors will be decided by the Committee and/or the Board in its absolute discretion and will be merit based and will also take into account Company's performance.
- The remuneration/compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and as approved by the Executive Vice Chairman and / or Managing Director, in consultation with the Head-HR of the Company.

#### **V Appointment / Removal/ Retirement and Evaluation of Performance of Directors**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person/s for appointment as Director/s and recommend to the Board his / her appointment.
- Due to reasons for any disqualification mentioned in the Companies Act, 2013, and Rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director.
- The Board shall at least once in every financial year evaluate the performance of Board, its committees and each director individually and review its implementation and compliance. In this connection, the Board may take assistance from Independent external agency.

## **VI Appointment / Removal, Remuneration and Evaluation of Performance of KMP and Senior Management Personnel**

- The qualification attributes, terms and conditions of appointment and removal of KMP (i.e. any Key Managerial Personnels other than the Managing Director / CEO and the whole-time directors of the Company as defined under the Act) and Senior Management Personnels as also their remuneration (including annual increments and incentives if any) and the evaluation of their performance shall be as decided by the Executive Vice Chairman and / or Managing Director of the Company and shall in line with the Company's policies.
- The Committee shall ratify such appointment and removal of KMP (i.e. any Key Managerial Personnels other than the Managing Director / CEO and whole-time directors of the Company as defined under the Act) and Senior Management Personnels.

## **VII POLICY REVIEW:**

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, them the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Committee as and when any changes are to be incorporated to the Policy due to changes in the Act or Rules or as may be felt appropriate by the Committee.

Any such modification or amended to the Policy (either in whole or in part) shall be recommended by the Committee for the review and approval by the Board of Directors of the Company.

## **VIII EFFECTIVE DATE OF THE POLICY**

This Policy was originally approved by the Board on 24<sup>th</sup> March 2015.

This Policy (which terms shall include any Revised / Amended Policy pursuant to the amendment / changes thereto from time to time) shall be effective from the date of the Board meeting approving such Revised /Amended Policy.

**Date: 16/05/2022**

Signed by



**S. Paramasivan  
Managing Director**

