

## AFCONS INFRASTRUCTURE LIMITED

### **NOMINATION AND REMUNERATION POLICY**

#### **I Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to Executive Directors, Key Managerial Personnel (KMP) and the Senior Management Personnel<sup>#</sup> 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 and Rules thereto as amended from time to time, this Nomination and Remuneration Policy has been formulated by the Committee.

*# 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 Policy shall adhere to the provisions of the Companies Act, 2013 and Rules thereto as amended from time to time.
- ❖ Formulating the criteria for determining qualifications and positive attributes of Directors, KMP and Senior Management Personnel.
- ❖ To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director of the Company.
- ❖ To carry out evaluation of the performance of the Directors of the Company.
- ❖ To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies of the Infrastructure business.

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

- ❖ The candidate should be free from any disqualifications as provided under Sections 164 and 167 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 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, KMP and Senior Management Personnel**

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) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) The remuneration shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- d) 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 to Executive Directors, will be decided by the Committee and/or the Board of Directors in its absolute discretion and will be merit based and will also take into account Company's performance.

#### **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 for appointment as Director and recommend to the Board his / her appointment.
- ❖ Due to reasons for any disqualification mentioned in the Companies Act, 2013, 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 Committee shall evaluate the performance of the Director as per the requirement of the Companies Act 2013.

#### **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 and Senior Management Personnel as also their remuneration and the evaluation of their performance shall be as decided by the Vice Chairman & Managing Director in line with the Company's policies as enumerated at points III (a), (b) and (c) above.



- ❖ The Nomination and Remuneration Committee shall ratify such appointment and removal of KMP and Senior Management Personnel.

**VII Effective Date:**

This policy shall be effective from 1st April, 2014.

**VIII AMENDMENT:**

The Policy shall be modified or amended in whole or in part, at any time as the Nomination and Remuneration Committee deems fit.



**K. Subrahmanian**

**Vice Chairman & Managing Director**