

## **CMM INFRAPROJECTS LIMITED**

### **NOMINATION AND REMUNERATION POLICY**

#### **1. PREAMBLE**

This Nomination and Remuneration Policy ("Policy") is framed pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, Regulation 19 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), including any statutory modification(s), amendment(s), re-enactment(s) thereof for the time being in force.

This Policy provides a framework for nomination, appointment, remuneration, evaluation, succession planning and Board diversity relating to Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel and other employees of CMM Infraprojects Limited ("the Company").

The Policy is intended to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate competent Directors and management;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;
- the Company maintains a transparent and merit-based process for appointment and succession planning.

#### **2. OBJECTIVES OF THE POLICY**

The key objectives of this Policy are:

1. To identify and recommend persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down.
2. To formulate criteria for determining qualifications, competencies, positive attributes and independence of Directors.
3. To recommend to the Board a policy relating to remuneration for Directors, KMP, Senior Management Personnel and other employees.
4. To formulate criteria for evaluation of performance of Independent Directors, the Board, its Committees and individual Directors.
5. To devise a policy on diversity of the Board.
6. To ensure that the remuneration policy is performance driven, market aligned and in compliance with applicable laws.

7. To ensure succession planning for the Board and Senior Management.
8. To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons.

### 3. DEFINITIONS

Unless the context otherwise requires:

- (a) “**Act**” means the Companies Act, 2013 and the Rules framed thereunder.
- (b) “**Board**” means the Board of Directors of the Company.
- (c) “**Committee**” means the Nomination and Remuneration Committee constituted by the Board.
- (d) “**Director**” means a Director appointed to the Board of the Company.
- (e) “**Independent Director**” means a Director referred to in Section 149(6) of the Act and Regulation 16 of SEBI LODR Regulations.
- (f) “**Key Managerial Personnel**” or “**KMP**” means:
  - Managing Director or Chief Executive Officer or Manager;
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary; and
  - such other officer as may be prescribed under the Act.
- (g) “**Senior Management**” shall mean officers/personnel of the Company who are members of its core management team excluding the Board of Directors and normally comprising all members of management one level below the Chief Executive Officer/Managing Director, including functional heads.

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013 or SEBI LODR Regulations.

### 4. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“NRC”) shall be constituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR Regulations.

#### Composition

1. The Committee shall consist of at least three Non-Executive Directors.
2. Not less than one-half of the Committee members shall be Independent Directors.
3. The Chairperson of the Committee shall be an Independent Director.
4. The Company Secretary shall act as Secretary to the Committee.

## **5. ROLE AND POWERS OF THE COMMITTEE**

The Committee shall, inter alia:

1. Identify persons qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down.
2. Recommend to the Board appointment, re-appointment and removal of Directors, KMP and Senior Management Personnel.
3. Formulate criteria for determining qualifications, positive attributes and independence of Directors.
4. Recommend to the Board a policy relating to remuneration of Directors, KMP and Senior Management Personnel.
5. Formulate criteria for evaluation of performance of Independent Directors and the Board.
6. Devise a policy on Board diversity.
7. Ensure succession planning for Directors, KMP and Senior Management.
8. Carry out evaluation of every Director's performance.
9. Recommend whether to extend or continue the term of appointment of Independent Directors based on performance evaluation.
10. Administer employee stock option schemes or other incentive schemes, if any, in accordance with applicable laws.
11. Perform such other functions as may be required under the Companies Act, SEBI Regulations or delegated by the Board from time to time.

## **6. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT**

### **A. Appointment Criteria**

The Committee shall consider the following while recommending appointment:

- Educational and professional qualifications;
- Experience and expertise in relevant fields;
- Integrity, reputation and ethical standards;
- Leadership abilities and strategic vision;
- Diversity in gender, age, knowledge and experience;
- Ability to devote sufficient time and attention to Company affairs;
- Independence criteria in case of Independent Directors.

### **B. Independence of Directors**

An Independent Director shall satisfy the requirements of Section 149(6) of the Companies Act, 2013 and applicable provisions of SEBI LODR Regulations.

### **C. Positive Attributes**

The appointee should possess:

- high standards of integrity and ethical conduct;
- sound business judgment;
- strategic and analytical capabilities;
- independent thinking;
- commitment to the Company and stakeholders;
- ability to work effectively as a Board member.

### **D. Disqualifications**

A person shall not be eligible for appointment as Director if disqualified under Section 164 of the Companies Act, 2013 or any other applicable law.

### **E. Removal**

The Committee may recommend removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of applicable laws, rules and regulations.

## **7. BOARD DIVERSITY**

The Company believes that an effective Board should comprise persons with diversified knowledge, experience and perspectives.

The Committee shall consider diversity in:

- industry experience;
- technical expertise;
- finance and accounting knowledge;
- legal and regulatory understanding;
- gender;
- age;
- geographical background; and
- leadership experience.

The objective is to maintain an optimum mix of skills, experience and diversity on the Board.

## **8. PERFORMANCE EVALUATION**

The Committee shall formulate criteria and framework for evaluation of:

- the Board as a whole;
- Committees of the Board;
- individual Directors; and
- Independent Directors.

## **Evaluation Parameters**

The evaluation may be based on the following:

- attendance and participation in meetings;
- contribution to strategic decision making;
- knowledge and understanding of business;
- safeguarding stakeholders' interests;
- adherence to ethical and governance standards;
- effectiveness of Committee participation;
- leadership qualities and guidance provided.

The Independent Directors shall review the performance of Non-Independent Directors, Chairperson and the Board as required under applicable law.

## **9. REMUNERATION POLICY**

### **A. Guiding Principles**

The remuneration structure shall be designed to:

- attract and retain competent professionals;
- motivate performance and achievement of Company objectives;
- be competitive and benchmarked with industry practices;
- align remuneration with responsibilities and performance.

### **B. Remuneration to Executive Directors and KMP**

The remuneration payable to Executive Directors and KMP may include:

- fixed salary;
- allowances and perquisites;
- performance-linked incentives;
- commission;
- retirement benefits;
- stock options or incentive schemes, where applicable.

The remuneration shall be determined considering:

- qualification and experience;
- responsibilities undertaken;
- Company performance;
- industry benchmarks;
- individual performance.

The remuneration shall be subject to the limits prescribed under the Companies Act, 2013 and approvals as may be required.

### **C. Remuneration to Non-Executive Directors and Independent Directors**

Non-Executive Directors and Independent Directors may be paid:

- sitting fees for attending meetings of the Board and Committees;
- commission within permissible statutory limits;
- reimbursement of expenses incurred for participation in meetings.

Independent Directors shall not be entitled to stock options unless permitted under applicable law.

### **D. Remuneration to Senior Management and Other Employees**

The remuneration structure for Senior Management and employees shall be:

- market competitive;
- performance linked;
- aligned with role and responsibility;
- periodically reviewed.

The HR framework of the Company may include:

- annual increments;
- variable pay;
- retention incentives;
- performance bonuses;
- employee welfare benefits.

## **10. SUCCESSION PLANNING**

The Committee shall periodically review succession planning for:

- Directors;
- Key Managerial Personnel; and
- Senior Management Personnel.

The objective is to ensure continuity in leadership and availability of qualified personnel for key managerial positions.

## **11. DISCLOSURE**

This Policy shall be disclosed in the Board's Report and hosted on the website of the Company in accordance with applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations.

## **12. REVIEW AND AMENDMENT**

The Committee shall review this Policy periodically and recommend amendments to the Board as may be necessary.

The Board reserves the right to amend, modify or revise this Policy in whole or in part, subject to applicable laws.

In case of any inconsistency between this Policy and applicable laws, the applicable laws shall prevail.