
NOMINATION & REMUNERATION POLICY

A. PREAMBLE

Corporate Governance is a system by which companies are governed and controlled. Board of the directors of company has to ensure that efficient corporate governance structure is in place. These Corporate Governance committees, if set up properly ensure that the business runs smoothly, it helps the company in framing corporate strategy and many more benefits.

Accordingly, the board of directors of **Shrem Infra Invest Private Limited** has adopted the following policy and procedures (the “**Policy**”) to provide a framework for nomination and remuneration of members of the Board of Directors (the “**Board**”), key managerial personnel, and other employees of the Company.

B. OBJECTIVE AND PURPOSE

The Nomination and Remuneration Committee and this policy is guided by the provision of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Listing Regulation. The Objective of this policy is to lay down a framework in relation to remuneration of directors, Key Managerial Personnel and senior management personnel.

The Key Objectives and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration;
- To evaluate the performance of the members of the Board as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity; and
- To develop a succession plan for the Board and to regularly review the plan

C. DEFINATIONS:

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

‘**Committee**’ means Nomination and Remuneration Committee (NRC) of the Company as constituted or reconstituted by the Board.

“**Independent Director**” shall mean an independent director referred to in sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulation.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined in Section 2(51) of the Companies Act, 2013, in relation to the Company, means –

- i. Chief Executive Officer or the Managing Director or the Manager
- ii. Company Secretary.
- iii. Whole Time Director
- iv. Chief Financial Officer and
- v. Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. Such other officer as may be prescribed;

“**Senior Management**” shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads by whatever name called and the Company Secretary and the Chief Financial Officer.

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

D. CONSTITUTION OF COMMITTEE:

- The Board of Directors of the Company (the Board) constituted the committee known as “Nomination and Remuneration Committee” consisting of three or more non-executive directors out of which at least two-thirds are independent directors.
- The Chairman of the Committee shall be an Independent Director.
- The Chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director and the participation of the members by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.
- The committee meet shall meet at least once in a year.

E. ROLE OF COMMITTEE:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
 3. devising a policy on diversity of board of directors;
 4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
 5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 6. recommend to the board, all remuneration, in whatever form, payable to senior management.

F. GENERAL PRINCIPLES:**1. APPOINTMENT CRITERIA AND QUALIFICATIONS OF DIRECTORS AND SENIOR MANAGEMENT:**

The NRC shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director or a Key Managerial Personnel on the basis of his educational qualification, experience and track record.

The NRC shall identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down here below:

- Demonstration of independence, integrity, high personal and professional ethics;
- Person should possess adequate qualification, expertise and experience, sound business judgement for the position he / she is considered for;
- Skills/expertise/competence/ability to participate in deliberations required in relation to the business of the company;

The NRC shall review the profile of the prospective candidates for appointment as Director on the Board or Senior Management, taking in consideration knowledge, experience, financial literacy/ expertise, positive attributes, global market awareness and other relevant factors as may be considered appropriate.

The NRC shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who is below the age of twenty-one years or has attained the age of seventy years. Provided that the term of such person who has attained the age of seventy years may be made by passing a special resolution along with the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment of such person beyond seventy years.

The NRC shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director and Senior Management Personnel and recommend to the Board his/ her appointment.

2. REMOVAL:

Due to reasons for any disqualification mentioned in the Section 167 of the Companies Act, 2013 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 and/or the Key Managerial Personnel subject to the provisions and compliance of the applicable Acts, rules and regulations.

3. TERM/TENURE:

a) Managing Director/Whole-time Director/Manager:

-The Company shall appoint or re-appoint any person as its Managerial Person 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.

b) 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 shall be made in the Board's Report of the Company.

4. REMUNERATION:**To Managing Director/Whole Time Director/Key Managerial Personnel:**

The Remuneration/compensation/commission to be paid to Managing Director/Whole time Director/Key Managerial Personnel shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force or as per the policy of the Company.

To Independent Directors

- i. Independent Directors will be paid remuneration by way of sitting fees and commission. The remuneration / commission / compensation to the Independent Directors will be determined by the NRC and recommended to the Board for its approval.
- ii. The commission to be paid annually will be restricted to a fixed sum, as determined by the NRC, based on their tenure in office during the financial year.
- iii. A sitting fee to be paid to director for attending meetings of the Board or committees thereof, such sum as may be decided by the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee thereof: Provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.
- iv. The payment of the commission to the Independent Directors, if any, will be placed before the Board every year for its consideration and approval. The fee will be reviewed periodically and aligned to comparable best in class companies.
- v. Keeping with evolving trends in industries and considering the time and efforts spent by specific Independent Directors, the practice of paying differential commission will be considered by the Board.
- vi. Independent Directors are entitled to be paid all travelling and other expenses they incur for attending meetings.

To Senior Management Personnel / Other Employees

- i. The total compensation for Senior Management Personnel if any, / other employees will consist of:
 - fixed compensation
 - variable compensation in the form of annual incentive
 - benefits

- work related facilities and perquisites.
- ii. Fixed compensation will be determined based on size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, leave travel allowance and a cash allowance.
- iii. The annual incentive (variable pay) of executives will be linked directly to the performance of the Trust.
- iv. A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employee. Overall compensation shall be subject to periodic reviews as well as factors such as affordability based on the Company's performance and the economic environment.

G. EVALUATION OF PERFORMANCE OF BOARD:

- i. The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance.
- ii. The Board shall evaluate, every year, its performance along with that of the individual directors including Chairman, IDs, independence of IDs and of its Committees.

H. COMMITTEE MEMBERS INTEREST

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

I. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

- i. This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.
- ii. This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.
- iii. Such disclosures of this Policy as may be required under the Act may be made.

J. DISSEMINATION OF POLICY

The details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company, if applicable then Policy shall be posted on the website of the Company as may be required under applicable Listing Regulation.

K. AMENDMENT

The Nomination & remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amended or substituted the same as and when required, where there are any statutory changes necessitating the changes in the policy.

Adopted by the board of directors of **Shrem Infra Invest Private Limited** on March 15, 2024.

For Shrem Infra Invest Private Limited

Nitan Chhatwal
Director
DIN: 00115575