

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (Committee) subject to approval by the Board of Directors.

1. Definitions:

Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

Board means Board of Directors of the Company.

Company means PUREARTH INFRASTRUCTURE LIMITED

Directors mean Directors of the Company.

“Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” means:

- i. Chief Executive Officer or the Managing Director, or the Manager;
- ii. Whole-time Director;
- iii. Chief Financial Officer;
- iv. Company Secretary;
- 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

“Nomination and Remuneration Committee” shall mean a Committee of Directors of the Company as constituted and approved by the Board of Directors from time to time.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“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;

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to Vice Presidents and above including all functional heads.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.

2. Objectives

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management so that it involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- 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

3. Role of the Committee:

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent / other Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing its implementation
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. Appointment And Removal Of Director, Key Managerial Personnel And Senior Management

(A) General Appointment Criteria:

- The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, and/or rules made thereunder.
- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, and/or rules made thereunder.
- 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

(B) Additional Criteria for Appointment of Independent Directors:

- The criteria and terms of appointment for Independent Directors shall be governed as per the provisions of Companies Act, 2013.
- 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 of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

(C) Term / Tenure

i. 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.

ii. Other Key Managerial Personnel / Senior Management

Term of appointment of other Key Managerial Personnel / Senior Management shall be as per Company Policy.

(D) Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

(E) Retirement

The Director, KMP and Senior Management Personnel shall retire as per the terms of their appointment, 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.

5. Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

6. Policy for Remuneration To Directors/KMP/Senior Management Personnel

(A) Remuneration to Managing Director / Whole-time Directors/Directors:

- The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors/Directors etc. 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 and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors / Directors.

(B) Remuneration to Non- Executive / Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors.

(C) Remuneration to Key Managerial Personnel and Senior Management:

- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

7. Implementation

- The Committee may issue such guidelines, procedures, formats, reporting mechanism for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.