

Remuneration Policy

Introduction

DMR Hydroengineering & Infrastructures Limited ('Company') recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the Remuneration Policy for its directors, Key Managerial Personnel ('KMP') and other employees.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this Policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management 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.

This Policy has been approved by the Board of Directors ('Board') of the Company at its Meeting held on December 3, 2021 on the recommendation of the NRC.

Scope

This Policy sets out the guiding principles for the NRC for recommending to the Board the remuneration of the directors, KMPs and other employees of the Company.

Objective of the Policy

The Remuneration Policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our Business Model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

Remuneration to the Directors

1. Executive Directors

The Company shall pay remuneration by way of salary, perquisites and allowances (fixed component) to its Managing Director and other Executive Directors. The increments shall be recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members.

2. Non-executive Directors

The Company shall pay sitting fees to its Non-Executive Directors of INR 10,000/- for attending each meeting of Board of Directors and committee(s) of Board of Directors respectively. The Company shall also reimburse the out-of-pocket expenses incurred by the Directors for attending the meetings. Independent Directors shall not be entitled to any Stock Options.

3. Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration to other KMPs

The remuneration of other KMPs in whatever form, including any revision thereof, shall be recommended by the NRC to the Board of Directors.

Remuneration to other employees

The employees of the Company shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Criteria of appointment and qualifications

The NRC shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his/her appointment and remuneration. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment.

Evaluation

The NRC shall carry out evaluation of performance of the Board, its committees and individual directors in every year. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. While doing the evaluation of independent directors, not only their performance, but fulfilment of the continuing independence criteria by them, shall also be considered. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director(s).

Further, the Independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of the non-independent directors and the members of the management. Such meeting shall:

- a) review the performance of non-independent directors and the Board as a whole;
- b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Authority for approval, review and alteration of Policy

The NRC is authorized to review and recommend to the Board such alterations to this Policy, subject to the condition that such alterations shall be in consonance with the provisions of the Act. The Board of Directors shall have the ultimate authority to approve the alteration in the Policy.

Any subsequent amendment / modification in the Act in this regard shall automatically apply to this Policy.

**For and on behalf of Board of Directors of
DMR Hydroengineering & Infrastructures Limited**

Sd/-
Subhash Chander Mittal
Managing Director

**Date: 03.12.2021
Place: Faridabad**