

SPML INFRA LIMITED
Nomination and Remuneration Policy

Modified by Board on 13th August, 2025

1. Introduction:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, in order to appoint and pay equitable remuneration to Directors, KMPs, SMPs and other employees of the Company.

2. Objective:

The Policy sets out the guiding principles on:

- i. Appointment and remuneration of the Directors, KMP and SMP;
- ii. Determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;
- iii. Formulating the criteria for performance evaluation of all Directors, Board and its Committee;
- iv. Board diversity.

3. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee (NRC) on 29th May, 2014 as per the requirement of the Section 178 of the Companies Act, 2013.

4. Definitions:

- i. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- ii. **"Board"** means Board of Directors of the Company.
- iii. **"Company"** means SPML Infra Limited.
- iv. **"Directors"** means Directors of the Company.
- v. **"Independent Director" (ID)** means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.
- vi. **"Key Managerial Personnel" (KMP)** means
 1. Chief Executive Officer or the Managing Director or the Manager;
 2. Whole-time Director(s);
 3. Chief Financial Officer;
 4. Company Secretary; and
 5. Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board.

- vii. **“Senior Management Personnel” (SMP)** for the purpose of this Policy means officers and personnel of the Company, who are members of its core management team excluding Board of Directors and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. ROLE OF THE COMMITTEE

- a) To formulate criteria for identifying Directors and Senior Management employees of the Company for appointment.
- b) To recommend to the Board in relation to appointment and removal of Directors and Senior Management.
- c) To formulate criteria for evaluation of Independent Directors, other Directors and the Board.
- d) To formulate and recommend to the Board a policy relating to the remuneration payable to Directors, Key Managerial Personnel and Senior Management Personnel covered under Clause 4.5.
- e) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.
- f) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- g) To ensure that remuneration to Key Managerial Personnel (excluding Directors) and Senior Management involves a balance between fixed and variable performance linked payout (PLP) reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- h) To devise a policy on Board diversity
- i) To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- j) To recommend to the Board, all remuneration, in whatever form, payable to Senior Management

6. Board Diversity

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge, core skills, competencies, and perspective in the Board.

Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

7. POLICY FOR IDENTIFICATION, APPOINTMENT AND RETIREMENT OF DIRECTORS AND SENIOR MANAGEMENT

a. Appointment criteria for Directors and Senior Management:

- i. A person who is proposed to be appointed as a Director and/or in Senior Management as a KMP should possess adequate qualification, expertise and experience for the position he / she is considered for appointment and has to be recommended by the Committee to the Board for appointment.
- ii. A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- iii. The Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI (LODR) Regulations or any other enactment for the time being in force.
- iv. Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules, made thereunder the Act and SEBI Listing Regulations (as amended from time to time).
- v. On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.
- vi. Appointment of Key Managerial Personnel (KMP) is subject to compliance of provisions of Section 203 of the Companies Act, 2013, read with Rules made thereunder (as amended from time to time).
- vii. The appointment/removal of Senior Management Personnel will be recommended by the Nomination and Remuneration Committee to the Board of Directors and their terms of appointment will be in accordance with the Company Rules and policy framework.

b. Term / Tenure of appointment for Directors and Senior Management:

i. Managing Director/Whole Time Director:

The Company shall appoint or re-appoint any person as its Managing Director/Whole Time 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.

The Company shall appoint or continue the employment of any person as Managing Director/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.

ii. Independent Director:

An Independent Director may hold office for a term of up to five consecutive years on the Board of the Company. Upon the conclusion of the first term, such Director shall be eligible for re-appointment for a second term, subject to the passing of a special resolution by the Company and disclosure of such re-appointment in the Board's Report

No Independent Director shall hold office for more than two consecutive terms. However, such Director shall be eligible for re-appointment as an Independent Director after a cooling-off period of three years from the date of cessation of the second term.

Provided that during the said three-year period, the individual shall not be appointed in or be associated with the Company in any capacity, either directly or indirectly.

At the time of appointment, it must be ensured that the proposed Independent Director complies with the following limits on Board memberships:

- Shall not serve as an Independent Director in more than seven listed companies; and
- In case the individual is serving as a Whole-time Director in any listed company, they shall not serve as an Independent Director in more than three listed companies or such other number as may be prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

iii. Senior Management:

In case of Senior Management (excluding KMPs at Board Level), term/tenure of appointment will be as per Company Rules and policy framework.

c. Retirement and Removal of Directors and Senior Management:

- i. The Director shall retire as per the applicable provisions of the Act.
- ii. The Board shall have the discretion, if it deems fit and in the interest of the Company, to retain a Director in the same position and/or on the same remuneration, or as otherwise decided, even after the Director has attained the prescribed retirement age. Such retention shall be subject to obtaining all necessary approvals as may be required under the applicable laws and regulations.
- iii. Due to reasons for any disqualification mentioned in the Act or the Rules made thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.
- iv. Extension of the term of appointment of a KMP (excluding those at Board level) and any Senior Management Personnel beyond his/her retirement age will be decided by the Managing Director/Whole Time Director.

8. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT EMPLOYEES

a. General:

- i. The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully;
- ii. Furthermore, the Board shall ensure that the link between remuneration and performance is transparent, and that the remuneration structure aligns with and meets appropriate performance benchmark;
- iii. Remuneration for Key Managerial Personnel (excluding Directors) and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- iv. The remuneration payable to the Directors of a Company including Managing Director/Whole-time Directors shall be recommended by the Committee to the Board for approval. Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required.
- v. In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs.

- vi. Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b. Remuneration to Managing Director/Whole Time Director/Executive Director:

The remuneration for the Managing Director/Whole Time Director/Executive Director will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

c. Remuneration to Non- Executive & Independent Directors:

- i. The remuneration payable to Directors who are neither Managing Director nor Whole- time or Executive Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

- ii. Sitting Fees:

These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1 lac (One Lac) per meeting of the Board or Committee or such amount as may be prescribed by the Companies Act, 2013 from time to time.

- iii. Remuneration:

Remuneration to Independent Directors may be paid by way of commission, within the overall monetary limits approved by the shareholders and subject to the provisions of the Companies Act, 2013 and applicable rules made thereunder.

Independent Directors shall not be entitled to any stock options of the Company, in accordance with the provisions of the Companies Act, 2013.

d. Remuneration to KMP and Senior Management employees:

As stated earlier, the remuneration of Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) shall be payable as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The annual increments for KMPs and Senior Management shall be based on their annual performance appraisal and shall be determined by the Managing Director or Whole-Time Director, as applicable.

9. POLICY ON BOARD DIVERSITY:

The Board of Directors shall comprise an optimum mix of individuals with expertise across diverse fields and areas, as deemed appropriate by the Company, while also ensuring adequate gender diversity.

The Board shall include at least one member with accounting or related financial management expertise, and all other members shall be financially literate.

In accordance with applicable legal requirements, the Board shall have at least one Woman Director.

Wherever practicable, the Board's composition shall reflect diversity in functional domains, with members bringing varied professional backgrounds and expertise.

10. DISCLOSURE OF THE POLICY

The Remuneration Policy and the Evaluation Criteria of the Committee shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

11. FREQUENCY OF MEETINGS

The Committee shall meet at least once a year and at such intervals as may be deemed necessary to effectively discharge its responsibilities

12. QUORUM:

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one-third of the total members of the Committee, whichever is higher, and shall include at least one Independent Director in attendance

13. CHAIRMAN:

The Chairperson of the Nomination and Remuneration Committee shall be an Independent Director.

Provided that, the Chairperson of the Company, whether executive or non-executive, may be appointed as a member of the Committee but shall not act as its Chairperson

In the absence of the Chairperson at any meeting, the members present shall elect one of themselves to act as Chairperson for that meeting

The Chairperson of the Nomination and Remuneration Committee may be present at the Annual General Meeting (AGM) to address queries raised by the Members. However, at their discretion, the Chairperson may nominate another member of the Committee to respond to such queries on their behalf.

14. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

15. MINUTES OF THE COMMITTEE MEETING

Minutes of all meetings must be recorded and signed by the Chairman of the Committee at the same meeting or at the subsequent meeting, and shall be tabled at the following Board and Committee meetings

16. MISCELLANEOUS

- a) In respect of any policy matters relating to Senior Management (excluding KMPs), the Committee may delegate any of its powers to one or more Company representatives occupying senior management position.
- b) This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other applicable enactment for the time being in force.
- c) Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and SEBI LODR Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein