



NOMINATION AND REMUNERATION POLICY

(Effective from 14th November, 2022)

Considered and Approved by the Board of Directors on 14th November, 2022.

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1. INTRODUCTION

In terms of the provisions of Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19 of the SEBI (LODR) Regulations, 2015 and other statutory provisions, as may be applicable, Diamond Power Infrastructure Limited (“DPIL” or “the Company”) was required to constitute a Nomination and Remuneration Committee of the Board. The Board of Directors of the Company vide its Resolution dated 17/09/2022 has constituted the Nomination and Remuneration Committee (“Committee”).

2. OBJECTIVE

In view of the above background, the Nomination and Remuneration Policy (“Policy”) was formulated to enable the Committee to execute its role and responsibilities relating to nomination and remuneration of Directors, Key Managerial Personnel and Senior Management.

The existing Policy is guided by the principles and objectives as enumerated in Section 178(3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “Act”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, to lay down a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

Regulation 19 of the Listing Regulations stipulates that:

- (1) The board of directors shall constitute the nomination and remuneration committee as follows:
 - (a) the committee shall comprise of at least three directors;
 - (b) all directors of the committee shall be non-executive directors; and
 - (c) at least two-thirds of the directors shall be independent directors.
- (2) The Chairperson of the nomination and remuneration committee shall be an independent director:

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
- (2A) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- (3) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it



shall be up to the chairperson to decide who shall answer the queries.

- (3A) The nomination and remuneration committee shall meet at least once in a year.
- (4) The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II.

PART D: A. ROLE OF NOMINATION AND REMUNERATION COMMITTEE:

Role of committee shall, inter-alia, include the following:

- (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;
- (2) 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
- (3) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) devising a policy on diversity of board of directors;
- (5) 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.
- (6) 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.
- (7) Recommend to the Board, all remuneration, in whatever form, payable to senior management.



3. DEFINITION

Board means Board of Directors of the Company.

Committee means Nomination and Remuneration Committee of the Company as Constituted or reconstituted by the Board, from time to time.

Company means Diamond Power Infrastructure Limited.

Director means a director appointed to the Board of Company.

Independent Director means a director as defined u/s 2(47) of the Companies Act, 2013 read with regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time

Key Managerial Personnel, in relation to a company, means—

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed;

Policy means Nomination & Remuneration-cum-Board Diversity Policy.

“Senior Management” shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the “chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

4. APPLICABILITY

The Policy is applicable to:

- Directors (Executive and Non-Executive);
- Key Managerial Personnel;
- Senior Management Personnel (i.e. General Manager & above).

5. COMPOSITION

The Nomination and Remuneration Committee shall comprise of three or more non-executive directors out of which not less than two-thirds shall be independent Directors.



The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not chair the Committee.

The Board shall appoint one of the members of the Committee as a Chairperson, who shall be an independent Director. The Chairperson shall preside over all meetings. In the absence of the Chairperson, members of the Committee present at the meeting may appoint one of the members as a Chairperson to preside over the meeting.

The Board shall constitute or reconstitute the Committee from time to time to make it consistent with the applicable statutory requirements.

6. MEETINGS AND OTHER MATTERS

6.1 Meetings

The Committee shall hold such number of meetings at such periodicity as is required to carry out its mandate. However, at least one meeting shall be held every year.

6.2 Committee Members' Interests

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6.3 Quorum

The presence of one-third or two members of the Nomination and Remuneration Committee, whichever is higher, shall constitute a quorum. However, at least one Independent Director should be present to constitute a valid quorum.

6.4 Voting

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

6.5 Secretary and Minutes

The Company Secretary shall act as the Secretary of the Committee. The Company Secretary shall record the proceedings of the meetings of the NRC Committee and circulate the draft to the members of the NRC Committee within 15 days. The minutes recorded in the minute book, shall be signed by the Chairman of the respective meeting or the Chairman of the next NRC Committee Meeting. Minutes of the meetings shall be recorded and maintained by the Company Secretary and subsequently presented to the Chairman of the Committee for approval.

7. DUTIES OF THE COMMITTEE

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board; Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- e) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- f) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- g) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- h) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- i) Recommend any necessary changes to the Board.
- j) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- k) To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- l) Recommend to the board, all remuneration, in whatever form, payable to senior management
- m) Professional indemnity and liability insurance for Directors and senior management
- n) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- o) To consider any other matters as may be requested by the Board;

8. PROCEDURE FOR SELECTION AND APPOINTMENT

The Committee shall follow the procedure mentioned below for appointment/ratification of appointment of Director, Independent Director, KMP and Senior Management Personnel and recommend their appointments to the Board.

- i. 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.
- ii. The Committee shall ensure that the person so recommended for appointment as Director / Independent Director / KMP / Senior Management Personnel is not disqualified under the Act, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iii. In case of the appointment of Independent Director, Independent Director should comply with the additional criteria of his / her independence as prescribed under the Act, rules framed thereunder and the Listing Regulations.
- iv. The Director / Independent Director / KMP / Senior Management Personnel shall be appointed in compliance with the relevant provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

9. REMUNERATION

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The Committee shall ensure that:

- (a) the level and composition of remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully;
- (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, KMP and Senior Management Personnel 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.

A. Overall remuneration to Directors

Besides the above criteria, the Remuneration / compensation / commission etc. shall be governed as per provisions of the Act read with Schedule V and rules made thereunder or any other enactment for the time being in force.

B. Non-Executive Independent Directors

The Non-Executive Independent Directors may receive remuneration by way of



sitting fees for attending meetings of Board or Committee thereof, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved as per the provisions of the Act.

Provided that the amount of such fees shall not exceed the amount as prescribed under the Act read with the rules made thereunder or any other enactment for the time being in force. Further, independent director shall not be entitled to any stock option.

The Non-Executive Independent Directors may be paid remuneration for services rendered in any other capacity, like to serve as a member of Personnel / Selection Committee for recruitment of Senior Management Personnel and/or any other specific assignment given by the Company from time to time. The remuneration paid for such services shall be subject to provisions of the Act and approval of the Nomination-cum-Remuneration Committee.

Provided that the payment of remuneration for services rendered by any such director in other capacity shall not be included in the overall ceiling prescribed under the Act read with Schedule V and rules made thereunder, if—

- (a) the services rendered are of a professional nature; and
- (b) in the opinion of the Committee, the director possesses the requisite qualification for the practice of the profession.

Notwithstanding the above, the board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. Provided that the requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

C. KMPs / Senior Management Personnel etc.

The Remuneration to be paid to KMPs / Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

D. Remuneration to Key Managerial Personnel / Other Employees.

1. The Company's total compensation for Key Managerial Personnel as defined under the Act / other employees will consist of:
 - a. fixed compensation
 - b. variable compensation in the form of annual incentive



- c. benefits
 - d. work related facilities and perquisites
2. Fixed compensation will be determined on the basis of 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.
3. The annual incentive (variable pay) of executives will be linked directly to the performance of the Company
4. Based on the grade and seniority of employees, benefits for employees include:
 - Health-Related
 - Health (hospitalization) insurance
 - Accident and life insurance
 - Retirement-related (in addition to statutory benefits such as provident fund account, gratuity, etc.)
5. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.
6. 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.

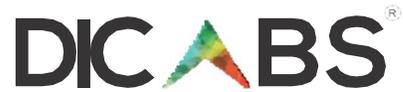
Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment. Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

3. POLICY ON BOARD DIVERSITY

The Board aims to attract and maintain a Board which has appropriate mix of diversity, skills, experiences and expertise in the areas like Production, Management, Quality Assurance, Finance, Legal Compliances, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc or as may be considered appropriate.

The Committee shall review and assess the extent to which the appropriate mix of diversity, skills, experiences and expertise are represented on the Board and report to the Board from time to time.

The Board, at present comprise of members, who has accounting or related financial management expertise, Business expertise and expertise in the field of management and laws.



4. DISCLOSURE

The Company shall disclose the Policy or salient features thereof in its Board's Report and any other document and / or upload the same on the website of the Company or any other platform, as may be prescribed under the applicable laws, from time to time.

5. AMENDMENT IN LAW

Any subsequent amendment / modification in the Act, Listing Regulations and /or other laws in this regard shall automatically apply to this Policy. The same shall be added / amended / modified from time to time as authorized by the Committee with due procedure.
