

Pipeline Infrastructure Limited

Nomination & Remuneration Policy

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PREAMBLE

The Board of Directors (“Board”) on recommendation of its Nomination and Remuneration Committee (“Committee”), has approved and adopted this ‘PIL Nomination and Remuneration Policy’ (“Policy”) in compliance with the provisions of section 178 of the Companies Act, 2013 read with applicable rules made thereunder (“Act”) and regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and any amendments thereto from time to time.

OBJECTIVES

This Policy is enacted mainly to deal with the following matters:

- i) To institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel (“KMP”) and/or in Senior Management and recommend to the Board their appointment (including remuneration payable, in whatever form) and removal from time to time;
- ii) To lay down criteria for determining the Company’s approach to ensure adequate diversity in its Board;
- iii) To formulate the criteria for determining qualifications, positive attributes and independence of Directors;
- iv) To determine remuneration of Directors, KMP, Senior Management personnel and other employees, keeping in view all relevant factors including industry trends and practices;
- v) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate persons of the quality required to run the Company successfully;
- vi) To ensure that relationship of remuneration to performance is clear and meets the performance benchmarks; and
- vii) To ensure that remuneration 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.

DEFINITIONS

- i) **Key Managerial Personnel (“KMP”)**, in relation to the Company means:
 - (a) Managing Director;
 - (b) Chief Executive Officer;
 - (c) Chief Financial Officer; and
 - (d) Company Secretary.
- ii) **Senior Management** means Chief Financial Officer, Chief Operating Officer, Chief Technical Officer, Chief Commercial Officer, Chief Risk Officer, Head - Human Resource and Company Secretary.

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

A. Board of Directors:

i) Identification, nomination & board diversity

The Committee shall be responsible for identifying a suitable candidate for appointment as Director of the Company and recommend the same to the Board. While evaluating a person for appointment/ re-appointment as Director, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, nationality, gender, age, experience and understanding of the sector, industry, marketing, technology, finance and other disciplines relevant to the business.

Further, the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required.

Accordingly, in designing the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

An independent director may be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any body, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank and put on their website for the use by the Company making the appointment of such directors. The responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the Company making such appointment.

ii) Evaluation process

The Committee shall:

- (a) Make recommendations to the Board on appropriate performance criteria for the Directors; and
- (b) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.

iii) Training and development

The Company shall periodically organise sessions under the familiarisation programme for the Non-executive Directors (including Independent Directors), to apprise them with the business operations of the Company and to also let them know their roles, rights and responsibilities in the Company to enable them to make effective contribution and discharge their functions as a Board Member. The sessions shall also provide for new director orientation and continuing education requirements or expectations, for Non-executive and Independent Director.

The Committee shall periodically review the overall training and competency development plan and the attrition for the organisation.

iv) Succession planning

The Committee shall review and implement succession and development plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board.

v) Criteria for determining qualifications, positive attributes and independence of Directors

The Committee shall follow the principles enshrined in the Act while fixing the criteria for determining the qualifications, positive attributes and independence of Directors, at all times.

vi) Remuneration

The overall limits of remuneration of the Board members including Executive Board members (i.e. Managing Director, Whole-time Director, Executive Directors etc. as may be appointed from time to time), if any, are governed by the provisions of section 197 of the Act and regulation 17 of SEBI Listing Regulations and shall be approved by the shareholders of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration.

However, pursuant to the provisions of section 197 of the Act read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company may, from time to time, approve the amount of sitting fee to be paid to independent directors for attending meetings of the Board or committees thereof, subject to the limit as may be prescribed under the Act (as amended).

No remuneration (including sitting fees) is paid to any Non-executive Director other than Independent Directors.

B. Key Managerial Personnel and Senior Management

i) Identification and nomination

The Committee shall identify the persons who may be appointed as KMP and at Senior Management, taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it deems appropriate.

The Committee shall recommend to the Board the appointment (including remuneration payable, in whatever form) and removal of KMP and person forming part of the Senior Management of the Company.

ii) Training and development

The Committee shall be responsible to maintain a framework for talent/ competency development strategy for KMP and person forming part of the Senior Management of the Company.

iii) Terminations and severances

The Committee shall also review attrition/ terminations/ replacements/ severance of employments of KMP and Senior Management.

iv) Succession planning

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for KMP and Senior Management as may be required, from time to time.

v) Remuneration

The pay program for KMP and Senior Management has been designed around three primary pay components, more particularly as under:

- (a) Base/ Fixed pay**, which is payable monthly and includes basic pay, contributions to retirement benefits, house rent allowance and other allowances as per the Company's policy;
- (b) Performance Bonus** (paid at the end of Financial Year), which is directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), and the overall Company performance; and
- (c) Long Term Incentive on case-to-case basis:** Staggered incentive, payable on the achievement of identified objective and quantifiable performance also acting as part of retention plan established by the Committee and approved by the Board, from time to time.

The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus.

C. Remuneration to other employees

Employees 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.

The pay program for employees has been designed around three primary pay components:

- (a) Base/ Fixed pay**, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance and other allowances as per the Company's policy;
- (b) Performance Bonus** (paid at the end of Financial Year), which is directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), and the overall Company performance; and
- (c) Long Term Incentive on case-to-case basis:** Staggered incentive, payable on the achievement of identified objective and quantifiable performance also acting as part of retention plan established by the Committee and approved by the Board, from time to time.

POLICY REVIEW AND AMENDMENTS

- i) This Policy is framed based on the provisions of the Act and SEBI Listing Regulations. In case of any subsequent changes in the provisions of the Act and SEBI Listing Regulations, which makes any of the provisions in the Policy inconsistent with the Act/SEBI Listing Regulations, then the provisions of the Act/SEBI Listing Regulations would prevail over the Policy.
- ii) The Company Secretary and Head – Human Resource are jointly authorized to amend this Policy to give effect to any such changes/amendments and the amended Policy shall be placed before the Committee and the Board for noting and ratification.
- iii) The Committee shall review this Policy periodically and recommend any proposed changes to the Board for approval.

GENERAL

The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement for better implementation of this Policy, if it thinks necessary.



The Policy is available on the website of the Company i.e. www.pipelineinfra.com and the salient features of the Policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board's Report of the Company.

Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance@pipelineinfra.com or Head - Human Resource at Manali.Nagory@pipelineinfra.com.
