

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This Policy was approved by the Board of Directors of the Company.

2. OBJECTIVE

The Policy relates to appointment and designing the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company.

3. DEFINITIONS

- a) **“Board”**:- Board means Board of Directors of the Company
- b) **“Director”**:- Directors means Directors of the Company.
- c) **“Committee”**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- d) **“Company”**:- Company means DCM Limited
- e) **“Independent Director”**:- As provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and/ or under the Companies Act, 2013 and relevant rules thereto.
- f) **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
 - (i) the Chairman and Managing Director;
 - (ii) the Chief Executive Officer;
 - (iii) the manager;
 - (iv) the Whole-time Director;
 - (v) the Chief Financial Officer;
 - (vi) the Company Secretary; and
 - (vii) 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
 - (viii) Such other officer as may be prescribed.
- g) **“Senior Management”**:- shall mean officers/personnel of the listed entity 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.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ or SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, shall have the meaning respectively assigned to them therein.

4. KEY PRINCIPLES

The following principles guide the design of remuneration under this Policy:

- (i) Attract, retain and motivate the right talent, including the directors, KMP and employees, required to meet the goals of the Company.
- (ii) Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.
- (iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual and overall Company's performance.
- (iv) Reflect market trends and practices, competitive positions to attract the required talent.

5. APPOINTMENT CRITERIA AND QUALIFICATIONS

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
- (ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

6. REMUNERATION TO MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S)

- (i) The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.
- (ii) The compliance of the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time regarding the limits of remuneration will be ensured.
- (iii) The remuneration to include the following components:
 - a) Basic Salary**
 - Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
 - Subject to such annual increment as per the recommendations of the Committee and the approval of the Board of Directors.
 - b) Commission / Variable Component**

- Commission/Variable Component, if any, as per the recommendations of the Committee and the approval of the Board of Directors in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.

c) Perquisites and Allowances

- Perquisites and Allowances commensurate to the position of Executive Directors, as per the recommendations of the Committee and the approval of the Board of Directors

d) Contribution to Provident, Superannuation fund and Gratuity etc.

In the event, the remuneration payable to Managing Director/ Whole-Time Director exceed the limits laid down under Section 197 and 198 read with Schedule V of the Companies Act, 2013, the same shall be subject to such approvals, as may be necessary.

7. REMUNERATION TO NON EXECUTIVE AND INDEPENDENT DIRECTORS

The Non- Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commission as may be recommended by the Committee and approved by the Board of Directors and Shareholders of the Company.

The amount of such fees and commissions shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

8. KEY MANAGERIAL PERSONNEL (KMP)/SENIOR MANAGEMENT PERSONNEL/OTHER OFFICERS AND STAFF

The Remuneration to be paid to KMP's/ Senior Management Personnel/ other officers & staff is based on the role and responsibilities in the Company, the experience, qualification, skills and competencies of the related personnel / employees, the market trends, practices and benchmarks.

The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

The remuneration is subject to review on the basis of individual and business performance and inflation/market trends. The performance of employees is reviewed based on competency assessment and key results delivered. The performance assessment, more specifically, is used as an input to determine merit/special increments, performance bonus, rewards, incentives (short term and long term) and other recognitions/promotions.

The objective is to ensure that the compensation engage the employees to give their best performance.

9. EVALUATION

The Committee shall carry out evaluation of performance of every Director of the Company.

10. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board and / or Committee 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.

11. WORKMEN COMPENSATION

Workmen are paid wages in accordance to the settlement with the recognized union of the workers, as applicable. Where there is no union, workmen wages are as per the best industry practice and applicable law. All remuneration components will be in accordance with applicable statutory compliances.

12. DIRECTORS' AND OFFICERS' INSURANCE

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

13. AMENDMENTS

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of this Policy and related matters shall be implemented by the Company. The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

14. DISCLOSURE

The Policy shall be disclosed as required by the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.